

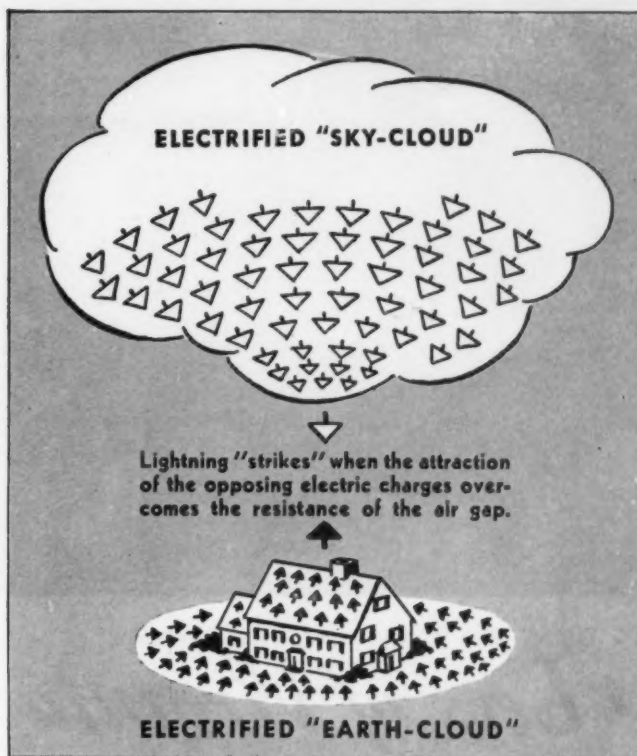
The NATIONAL UNDERWRITER

Lightning "Do's" and "Dont's"

One hundred million volts flashing between cloud and earth no longer represent one of Nature's destructive mysteries. Today the rules lightning follows are known and serious damage is usually restricted to unprotected objects . . . and occasionally people.

Lightning protection for buildings requires provision of adequate metallic means to channel the discharge instead of leaving it to fight its way through non-conductors like wood, brick, tile and concrete. Successful application of this principle has involved much engineering study . . . to which the fire insurance industry has contributed.

For personal protection, remain indoors during a thunderstorm, away from fireplaces, telephones and screened windows.



If caught outdoors, take shelter in a ground depression or grove of trees. Avoid isolated trees, wire fences, hilltops and open spaces.

Lightning takes a yearly toll of 400 lives and about \$20,000,000 property damage, according to the National Fire Protection Association, whose "Code for Protection against Lightning" has long been standard. Among its members this 50-year-old technical and educational organization numbers scores of fire insurance groups, eager to support all well-planned efforts toward a safer American way of life.

A Comprehensive



Reinsurance Service

Casualty and Bonding Lines

**GENERAL REINSURANCE
CORPORATION**

Fire and Allied Lines

**NORTH STAR REINSURANCE
CORPORATION**

90 John Street, New York 7 • 200 Bush Street, San Francisco 4

THURSDAY, JUNE 13, 1946



The Lees of Virginia

"Stratford Hall", the ancestral plantation home of the Lees of Westmoreland County, Virginia, is one of America's most famous homes and one of the few perfect examples of true Georgian architecture still standing.

So wisely was the house planned that no additions were ever added, and when it was purchased for a shrine by the Robert E. Lee

Memorial Foundation in 1929, no rebuilding was necessary and the reconditioning of the main house was comparatively simple. The mansion and grounds were laid out prior to 1730, and took five years to complete. The house was built of brick that had been made by hand on the plantation, and was constructed in the form of an H, the wings of which were topped with twin sets of four great chimneys. The Great Hall on the second floor with its vaulted ceiling and hand carved paneling and pilasters, forms the bar of the H and was the scene of many brilliant gatherings during the Colonial period.

"Stratford Hall" has provided America with some of her most illustrious sons, among whom were Thomas Lee, a governor of Virginia and chiefly responsible for the purchase of the Ohio Valley from the Iroquois; Richard Henry Lee and Francis Lightfoot Lee, both signers of the Declaration of Independence; Lighthorse Harry Lee, George Washington's



Robert E. Lee as a Second Lieutenant

favorite officer, governor of Virginia and father of the beloved Robert E. Lee, the statesman and brilliant cavalryman of the War Between the States whose battle tactics were carefully studied during World War II.

Today, completely restored, the Great House and grounds which are open to the public are a fitting tribute to the Lee family whose sons contributed so much to the founding of this nation.

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.

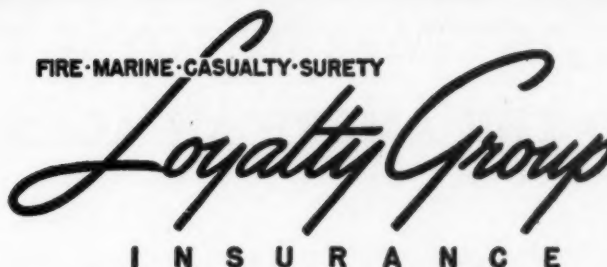


The Boxwood garden as seen through the chimney arch

☆ **THE HOME** ☆
Insurance Company
NEW YORK

FIRE • AUTOMOBILE • MARINE

FIRE · MARINE · CASUALTY · SURETY



I N S U R A N C E

FINANCIAL STATEMENTS DECEMBER 31, 1945

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$9,397,690.	\$54,848,473.	\$31,764,718.	\$23,083,755.
The Girard Fire & Marine Insurance Company <small>Organized 1853</small>	1,000,000.	6,412,691.	3,691,439.	2,721,252.
National-Ben Franklin Fire Insurance Company <small>Organized 1866</small>	1,000,000.	5,891,844.	3,233,665.	2,658,179.
The Concordia Fire Insurance Co. of Milwaukee <small>Organized 1870</small>	1,000,000.	5,981,590.	3,232,950.	2,748,640.
Milwaukee Mechanics' Insurance Company <small>Organized 1852</small>	2,000,000.	15,712,261.	8,759,027.	6,953,234.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	16,207,622.	11,082,112.	5,125,510.
Commercial Casualty Insurance Company <small>Organized 1909</small>	1,000,000.	16,497,745.	10,952,765.	5,544,980.
Royal Plate Glass and General Ins. Co. of Canada <small>Organized 1906</small>	100,000.	357,392.	1,384.	356,008.

Pittsburgh Underwriters - Keystone Underwriters

HOME OFFICE

10 Park Place
Newark 1, New JerseyCANADIAN DEPARTMENTS
465 Bay St., Toronto, Ontario
535 Homer St., Vancouver, B. C.

PACIFIC DEPARTMENT

220 Bush Street
San Francisco 6, Calif.

SOUTHWESTERN DEPARTMENT

912 Commerce Street
Dallas 2, Texas

WESTERN DEPARTMENT

120 So. LaSalle Street
Chicago 3, Illinois

FOREIGN DEPARTMENT

111 John Street
New York 7, New York

75 YEARS OF LOYAL SUPPORT
TO THE AMERICAN AGENCY SYSTEM

1871



1946

The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS and TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONN.

WESTERN DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4, ILL.



PACIFIC DEPARTMENT

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

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N. A. I. C. Sets
Mid-Year Parley
for N. Y. Dec. 9-11Continue War Economies
in Statement Blanks
for 1946 Reports

PORTLAND—Decision to hold the mid-year meeting of the National Association of Insurance Commissioners at the Commodore hotel, New York, Dec. 9-11, was reached by the N.A.I.C. executive committee at its meeting here Sunday afternoon.

Much of the Sunday afternoon session was consumed with consideration of matters involving the annual statement blanks. In September, 1942, at the request of the industry, the companies were relieved of the necessity of completing numerous schedules of secondary importance mainly involving investment data. This was known as the war economies program. The executive committee Sunday determined to permit that relief to continue for the statements covering 1946 operations, but so far as 1947 reports are concerned, these questions will be resolved at the December, 1946, meeting.

Seth Thompson, the host commissioner, presided as chairman of the executive committee.

Probing Taxable Premiums

A communication from Hodges of North Carolina citing the zone 2 and zone 4 request that convention examinations look into taxable premiums was referred to the examinations committee. Referred to the casualty committee was a message from Hunter of Manitoba warning American motorists of the Manitoba auto financial responsibility act.

A letter was read from Garrison of California stating that Pat Merrick, who heads the new California state disability insurance scheme, will be at the convention and will be available for conference with A. & H. company representatives.

Mr. Thompson read the petition (reported at length elsewhere) of five industry groups for changing the procedure in making changes in annual statement blanks.

Matter of War Economies

The question was brought up of whether to make permanent the so-called war economies in the blanks. Much data previously required was eliminated by action of N.A.I.C. in 1942. These mainly pertained to investment exhibits. However, the touchy matter was schedule L for the fire and casualty blanks. This corresponds to schedule G in the life blank, requiring the reporting of all salaries of \$5,000 and more. Schedule L was adopted but in application was eliminated for the duration of the war.

The blanks committee at Portland was asking for instructions from the executive committee. George H. McTeer of the state of Washington stated that the war economy program was instituted by the executive committee and hence the blanks committee feels it is the responsibility of the executive com-

(CONTINUED ON PAGE 21)

Second Bad Hotel Fire in
Week Brings More DeathsLoss on La Salle Hotel
to Exceed \$1,800,000
Mostly Under U. & O.

Over-all insurance loss resulting from the La Salle hotel fire is expected to exceed \$1,800,000. Fire loss on building and contents will be about \$650,000, most of it confined to the first three stories.

Open stairwells on either side of the two elevator banks are blamed by investigating authorities for the great headway the fire was able to achieve and most of the resulting loss of 61 lives.

It is now believed that the fire started either in the coffee shop or the bar, two adjoining rooms north of the La Salle street entrance and immediately back of the north elevator bank. The original theory that it had started from a cigarette tossed into elevator machinery has now been discarded, as it is thought that the fire had been under way for some time before breaking into the open. A number of concealed spaces and partitions would have permitted the fire to burn unobserved for some length of time. It was first discovered in the cocktail lounge and when it hit open air it burned two false elevator doors and when in the lobby, flames caught quickly on the highly combustible walnut trim and paneling and the smoke shot up the two stairwells, creating a strong draft.

Damage Near Stair Wells

That the open stairways were a contributing cause to damage has been borne out by the fact that smoke and heat losses are confined to those areas on every floor. At each level effects can be seen down the corridor to the first turn and to the eighth floor paint blisters and excessive smoke damage can be observed even to the second corner of the rectangular hallways. Fire damage is negligible above the third floor and smoke damage diminishes rapidly above the eighth.

Loss of life and interior room damage was caused almost exclusively in those rooms which had either doors or transoms open, allowing smoke to enter. It was stated that even on the third floor had an occupant kept his door and transom shut he would have had nothing more serious than a rather warm floor to contend with.

The several city fire prevention bureau violations listed against the hotel had been largely complied with before the fire and it is doubtful that any of these were a contributing cause.

Despite several statements that the hotel is adequately insured on all counts, it appears it may be short on liability and possibly in meeting the 80% coinsurance clause on the building.

Fire insurance on the building is understood to be \$2 million, with \$300,000 on contents. There is \$1,500,000 U. & O. and 500,000 of public liability. The hotel also has a \$10,000 policy with London Lloyds covering loss and theft of personal belongings of occupants.

Hartford Fire has \$1,500,000 of the building coverage and is understood to have reinsured all but \$250,000 of this. Hartford also has the entire contents cover and \$150,000 of the U. & O. North America has \$500,000 of the U. & O. and the remainder is reportedly spread among a large number of companies.

Royal Indemnity has \$250,000 of primary liability, the remainder being with Indemnity of North America as excess.

(CONTINUED ON PAGE 21)

Dubuque Death Toll
May Reach 24; Loss
May Exceed Insurance

DUBUQUE—Close on the heels of the La Salle hotel disaster the Canfield hotel fire here, early Sunday morning brought death to a far larger percentage of the occupants than did the Chicago catastrophe.

There was \$175,000 insurance on the building, \$45,000 on contents and \$37,418 use and occupancy. Insurance was in the Dubuque F. & M., America Fore, Sun, Queen, Firemen's group and Kansas City F. & M. According to the fire department the damage will be between 75% and 100% of the amount of the insurance, although estimates by other city officials ran as high as \$500,000. There were 17 dead and 7 more missing as of the middle of the week. The fire is believed to have started under the floor of the cocktail lounge.

Probable Coinsurance Penalty

Because the insurance was written with an 80% coinsurance provision, the insurers will pay substantially less than the amount of loss since the building, immediately prior to the fire, was worth far more than 125% of the total fire insurance.

There was complete reticence as to liability coverage that would take care of possible suits by victims or their heirs on the ground that there had been negligence on the part of the hotel's management. In fact, the obtaining of complete information on insurance carried was impossible because the owner, William Canfield, Jr., was in the hospital because of serious burns suffered in fighting the fire.

W. F. Kuffel, executive vice-president of Dubuque F. & M., who is chairman of the fire prevention committee of the Dubuque Chamber of Commerce, had for some time been working to stir up interest in Dubuque on fire prevention. By an ironic coincidence, the first of a series of communications from him appeared in the letters column of the local Sunday paper the day of the fire. It dealt with the need of inspections, modernization, and keeping electrical wiring and apparatus well maintained.

An Acceptable Fire Risk

The Canfield Hotel was regarded as the second best hotel in Dubuque and an entirely satisfactory fire risk. The older, four-story section in which most of the damage occurred, was of joisted construction, but the six story adjoining fireproof section, built in 1926 is of fireproof construction. However, because of the exposure hazard the entire structure took the brick construction rate, being written blanket with 80% coinsurance.

According to the fire chief, a large factor in increasing the life and property loss was that the occupants in both the older section and the fireproof portion of the building, perhaps jittery on account of the recent Hotel La Salle fire in Chicago, became panic-stricken and began climbing out of windows, hanging from bedsheets or clinging to window sills. This made it necessary to concentrate the fire department's activities on rescuing these guests and comparatively little could be done to fight the flames that were rapidly gaining headway in the lobby, which was in the older, non-fireproof portion.

(CONTINUED ON PAGE 21)

Solid Accomplishment
Marks Portland
Meeting of N.A.I.C.Some Spectacular
Moments in Discussions of
Controversial Issues

By LEVERING CARTWRIGHT

PORTLAND, ORE.—More than 500 commissioners and camp followers, including some 100 wives and daughters, journeyed to Portland for the annual meeting of the National Association of Insurance Commissioners here this week.



Seth Thompson

Despite the distractions of this vacationland, the group kept its collective nose to the grindstone for four solid days and is concentrating its fun and relaxation in one day, Thursday, when the Columbia river drive is scheduled.

There was much solid accomplishment and a few spectacular moments, particularly at the session Monday afternoon of the life committee considering a new group life definition, at the four-hour session on fire and casualty rating legislation Tuesday afternoon and just before that at the examinations committee gathering, to see what can be done about elevating to a higher plane the system of convention examinations.

Due to the time difference it is not possible to report this week the final determination of several issues nor to report the election results. On the eve of the election there appeared to be strong sentiment in favor of Larson of Florida for chairman of the executive committee. Other possibilities are Hodges of North Carolina, Parkinson of Illinois and Forbes of Michigan.

The local hosts were highly complimented for the services and entertainment they provided. Most of this committee consisted of local agents rather than company men and that meant unusual personal sacrifice of time. George W. Haerle of Charles W. Sexton & Co., the general chairman, was at hand at all times to look after the needs, whether it be getting a pitcher of water or arranging transportation.

The serious inconvenience that couldn't be avoided was that the conventioners were quartered in a dozen different hotels scattered about the city.

Seth Thompson, the host commissioner, is scheduled to advance to the vice-presidency, and Dineen of New York becomes the new president, succeeding McCormack of Tennessee.

Many, after Portland, are heading home with stops via the Canadian route, while others will swing east by way of San Francisco, Los Angeles and Texas points.

Sunday evening there was an abundant cocktail party, Monday there was a sumptuous buffet, marred only by Mrs. Albert D. Pingree, wife of the deputy commissioner of Vermont, suffering a broken leg when her chair collapsed; Tuesday evening came the Pamunkey ceremonial with E. C. Stone switching from the enemy of rate legislation to his role of head Indian, and then Wednesday night was the banquet.

Tighten Yield Test for Amortizable Bonds Still Further

N.A.I.C. Action Brings Level of Return Close to Ultimate Goal

PORTLAND, ORE.—The securities valuation formula for use in connection with 1946 annual statements contains a still further tightening of the conditions for eligibility to amortization of corporate bonds and special revenue bonds. Adopting the resolution put forth by the committee on valuation of securities headed by Dineen of New York, the National Association of Insurance Commissioners at its meeting here made the so-called yield test more stringent. The process of raising the eligibility requirements under the yield test has been going on since 1942 and is now believed to be very nearly at the level that the committee has been working toward since it established the yield test in 1941.

This year's yield test specifies that the yield at Dec. 1, 1945 shall not have exceeded 2.1% plus the yield of a comparable government maturity and at Dec. 1, 1946 not exceed 1.8% plus the yield for a comparable government maturity. In the 1945 resolution the yield test was 2.9% plus the yield on a comparable government maturity in 1944 and 2.1% plus the government yield in 1945. The comparable figures in the 1944 resolution were 3.5% and 2.9%.

Otherwise Same as Last Year

With the exception of the changed percentages in the yield test the resolution adopted here was identical with that of last year, printed in full in the June 7, 1945, issue of THE NATIONAL UNDERWRITER, although rearranged and the wording changed in a few places for greater clarity. For example, there is now included a special section giving instructions to companies whereas previously the instructions were scattered through the resolution.

As in the past, bonds are eligible to amortization if they meet the yield test, or if on June 1, 1946, were included in any of the four highest grades of any two recognized rating agencies, or if, in the judgment of the sub-committee of the N.A.I.C. committee on valuation of securities are equivalent in security to bonds meeting the first two standards, provided that satisfactory evidence to that effect is either already available or is made available by the insurers holding them by Sept. 1, 1946 and approval obtained.

All bonds issued, assumed or guaranteed by the United States or the Dominion of Canada and all bonds secured by the full faith, credit and taxing power of political subdivisions of the United States and of Canada which are legal for investment by insurance companies under the laws of the respective states are automatically eligible for amortization, as are all bonds of foreign governments, foreign subdivisions, and foreign municipalities which in the subcommittee's judgment are amply secured on the basis of the estimated ability of the respective obligors to make, during the life of the issue, all contractual payments in the currency or currencies specified and at the places of payment stipulated in the bonds and upon evidence that such payments can be remitted to the United States at the official rate of exchange.

All bonds must be certified by the insurer to be amply secured and they must not be in default as to principal or interest and they must not be income or perpetual bonds.

(CONTINUED ON PAGE 13)

Regulation Replaces Self-Government, Miss. Agents Hear

Self-government in the insurance industry must give way to regulation in the public interest by the authority of all people, Bradford Smith, Jr., vice-president of North America, stated in his speech before the Mississippi Association of Insurance Agents at Biloxi. This means that no group within the business, even though they may be regarded as well qualified to manage, but whose authority does not proceed from the people, will any longer be in position to govern the conduct of the business as final authority, he said.

It does not seem probable, despite the fact that it has been suggested, that to satisfy requirements of regulation and public interest, there will be a tendency to place the business in a straitjacket of rigid state government control. Such a situation would be directly contrary to the intent of the federal government which was to free the business of restraint dictated within itself. To accomplish this, the authority for such practical restraints as are deemed necessary, is transferred to the supervisory power of the state to be exercised to the extent that they are in the public interest. If new rating and regulatory laws in the several states are too rigid and if they produce a legalized monopoly, and if freedom of opportunity in the business is unduly restrained, then there will inevitably come a clash between federal and state authority which could easily become disastrous for all, he said.

A successful pattern of state regulation which will be acceptable to the federal government must recognize the spirit of the Sherman act to the extent that is possible in insurance, with due regard for public interest. The latter includes the safety and solvency of companies as well as the benefits of competition, he declared. Future regulations must provide more adequately for initiative, innovation and experimentation in the public interest.

No Road Back

"We must not waste our time trying to find some clever legal means enabling us to reconstruct exactly what we had before. We know that is not acceptable to the federal government. Let's not indulge in any 'Alice in Wonderland' thinking," Mr. Smith said.

He termed the achievements of agency companies proof that the agency system is the most effective medium for the distribution of insurance. The agency system is a hidden or invisible asset which no one has ever undertaken to appraise in terms of dollars, but if the job were done, the figure would be staggering, he said. The property insurance industry is deeply indebted to the system for the essential part it has played in the development of the business. An enlightened self-interest would require the industry not only to foster the system, but to provide a more effective means than now exists by which agents' knowledge of the public's insurance requirements may be put to constructive use, he declared.

Mr. Smith referred to the agents as the "eyes and ears" of the companies and said, "It is the agent's knowledge of the public's requirements and its influence upon the companies he represents that should lead to the constant development and improvement of insurance service in the public's interest. Therein lies one of the agent's greatest responsibilities."



Bradford Smith, Jr.

Bank-Agent Plan Must Slash Red Tape, Says Carlson

It is important that the bank-agent direct finance facilities in each community be as efficient and as free of red tape as the method employed by the automobile dealers and their financing institutions, for if a car buyer is inconvenienced or must suffer loss of time in obtaining the loan, the agent is immediately placed at a disadvantage, O. Roy Carlson, manager automobile department of American of Newark, said in his talk at the Virginia Association of Insurance Agents meeting at Virginia Beach.

It is, therefore, essential that resourcefulness and efficiency be displayed at all times. Many bank-agent groups have devised means of providing the funds without the necessity of a visit to the bank by the car buyer. Others have gone so far as to permit car buyers to issue a draft on the bank to the automobile dealer and are not requiring a lien of any type from their "Grade A" credit risks. This is a matter for individual banks to decide for themselves.

Mr. Carlson said that because of the present scarcity of automobiles, some dealers are selling cars on their own terms. This condition is only temporary but it means that some clients who would otherwise finance through the bank-agent plan will permit the dealer to arrange the financing in order to obtain earlier delivery of an automobile. Furthermore, the very fact that the bank-agent program is an innovation, will result in certain wrinkles that may be discouraging but will, in time, be ironed out. All of this, however, is only temporary and agents should not permit themselves to lose their zeal if the amount of bank-agent finance business in the first few months of capacity automobile production does not reach that which is now anticipated.

There are several points which Mr. Carlson said should be stressed to demonstrate that the agent and bank should provide the financing service: prorata cancellation of existing insurance, the superior insurance service that an agent can provide for a client and, further, the undisputed fact that a bank can finance automobile sales on a direct basis at a lower cost than a finance company can do so indirectly through an automobile dealer. The banks are swollen with deposits, a good deal of which are interest free to the bank. These funds are seeking investment in legitimate enterprises. Whereas the money which the banks employ for the financing of automobile sales requires the payment of practically no interest by the bank, finance companies must borrow most of the funds which they use and although they obtain a percentage of their money at low interest rates the average cost to them is higher than is generally believed. Therefore, in that respect, the bank has a definite advantage.

Branch Office Expense

Furthermore, finance companies are required to maintain a branch office and service system, the expense of which local banks do not assume as they already maintain their own banking headquarters which are supported by their general banking business. The finance company in soliciting business from automobile dealers offers and pays dealer reserves which must come out of the financing charge, whereas, the bank operating on the bank-agent plan, pays no reserve, kick-back or bonus of any type and eliminates this charge from the cost of financing to the car buyer. Consequently, no agent or bank should for one moment feel that the bank-agent plan suffers from any serious competitive disadvantage.

The premium potential involving automobile insurance on financed cars for

N.A.I.C. Opens Its Portland Convention with 300 on Hand

Delegates Welcomed by Mayor and Oregon's Governor and Commissioner

PORTLAND, ORE. — About 300 packed the meeting room for the first plenary session Monday morning of the National Association of Insurance Commissioners to hear the traditional welcoming speeches, roll call and presidential address, this year by McCormack of Tennessee. Seth Thompson, governor commissioner, extended greetings. Governor Snell gave a talk in which he declared that to protect states' rights there must be more than debate; the states must be active, virile, political subdivisions with sound, progressive policies and legislation and with clear, cut, aggressive administration. They must provide action, not just words.

Dineen Cites S. C. Decision

Mayor Riley spoke in pleasant vein. Dineen of New York in responding to the welcomes, remarked that the U. S. Supreme Court in Prudential vs. Benjamin relied on the language of P. L. 15 which was originated by the commissioners association and supported by the industry. It is a source of the utmost satisfaction that the power of the states was sustained because of legislative language obtained by N.A.I.C.

Read of Oklahoma, the secretary, called the roll. Forty-three states, five Canadian provinces and Puerto Rico were represented.

McCormack had former N.A.I.C. presidents escorted to the rostrum. That group included Commissioners Johnson, Harrington, Hobbs, Bowles, Sullivan and Reed, and Ernest Palmer, Warner Reciprocity, Chicago; Garfield Brown, American Mutual Alliance, and Claude Fairchild, San Mateo, Cal. Mr. McCormack then delivered his presidential address, covering much ground. It was well received.

Geo. Haas Returns to Chicago

George E. Haas, former western manager of Atlas and later head of the casualty branch of the Illinois insurance department, who has been spending some months in California, has returned to his old haunts and will reside with his brother in Wilmette, Ill. Mr. Haas may return to the business in some capacity. He is well informed on insurance and is in excellent health.

the immediate future is tremendous. The huge demand, the increased cost of automobiles, higher insurance rates and the capacity of the automobile manufacturers to produce, indicates that several hundred millions of dollars in automobile premiums will be written within the next few years. There is every reason to expect that finance companies with insurance subsidiaries will put up a bitter struggle for this business. The possibility that they will not only arrange for the material damage insurance but solicit liability and other casualty coverages must be borne in mind. The increasing investment of some finance companies in the insurance business must not be complacently regarded as they will, undoubtedly, expand the scope of their insurance operations through these subsidiaries. It is not unlikely that some day all of the insurance of the finance company's clients will be solicited; not only that on automobiles, but home and its contents, personal and business.

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Ask More Time for Acting on Blanks Changes

Five Industry Groups Complain of Retroactive Procedure

PORTLAND—The insurance commissioners association was petitioned at Portland by five industry groups to refrain from making applicable to the 1946 annual statements changes recommended by the blanks committee. It was recommended that in the future, also, such changes should not be effective for statements of the year during which the revisions are concerned, but should be applicable to the blank of the following year.

The petitioners were J. R. Berry, National Board; Ray Murphy, Association of Casualty & Surety Executives; A. V. Gruhn, American Mutual Alliance; Henry Moser, National Association of Independent Insurers, and Floyd E. Jacobs, American Reciprocal Insurance Association.

The petition was addressed to Commissioner Thompson of Oregon as chairman of the N. A. I. C. executive committee.

The most important change recommended currently by the blanks committee is the introduction in fire and casualty statements of a new schedule M to show all legislative expenses of more than \$100, to show payments other than salaries to officers, directors or employees of more than \$250 or aggregating more than \$5,000 in any year, to show legal expenses other than for claims of more than \$100 or aggregating more than \$5,000, and to list payments in excess of \$500 to trade associations, bureaus, etc.

The purpose "is to prevent so far as possible a recurrence of abuses such as occurred in the Missouri rate case." The committee had been told by Dieneen of New York that no company examination had given any hint of the payments made in the Missouri case.

Procedure Is Different

The five-man petition stated that the procedure of the blanks committee is different from that of any other committee of N. A. I. C.

"This is due to the time element, for it is the custom of the committee to act upon suggestions for changes in the blanks early in each year to permit of their incorporation in the printed blanks of the same year. The procedure does not permit of enough time to allow those affected by or interested in the proposals to properly present their views at the time the committee on blanks meets.

"All suggestions for changes and amendments to the blank must be filed with the chairman or secretary of the committee on or before March 15. The suggestions are then put into the form of an agenda which is released early in April, and at the same time a meeting of the committee on blanks is announced for late in April.

"The blanks committee then proceeds to act on the suggestions, rejects some, adopts others in toto, and approves others with modifications. At the same time it may also act, and sometimes does act, upon suggestions which do not appear on the agenda, but which under the regulations of the committee can be considered by unanimous consent of its members.

"The results of this one session of the committee's deliberations are then drafted into a report to the executive committee, which is presented to the

Collision Rates Up, Fire-Theft Down, in North Carolina

Commissioner Hodges has approved rate changes applicable to insurance covering theft of or physical damage to automobiles written in North Carolina.

Commercial car fire rates will be reduced approximately 25% and the theft rates about 33% when written on an actual cash value or stated amount basis. An approximate reduction of 50% for fire and for fire and theft rates affecting "driverless for rent" automobiles when conversion, embezzlement and secretion coverages are excluded, was promulgated. The rates on certain types of dealers' cars having riot and civil commotion coverages are reduced approximately 50%.

The cost of collision insurance on private passenger cars is increased approximately 22% and on commercial cars approximately 10%. The increases announced were approved after a study had been made by the department of certain statistical information available which showed an increase in cost of automobile accidents and repair bills. The best information available showed the average cost per repair bill to have been \$182.70 the latter part of 1941 as against an average cost per repair bill of \$239.08 for the years 1945 and 1946, or an increase of approximately 33%.

According to figures obtained from the North Carolina motor vehicle bureau accidents involving automobiles increased 22.2% in 1945 over 1944, and 60.2% for the first three months in 1946 over the same period in 1945, or 32.2% so far this year.

Prudential Loses Two More Supreme Court Decisions

WASHINGTON—The U. S. Supreme Court in two per curiam opinions announced judgments affirmed in Nos. 789-792, Prudential et al vs. Hobbs (Kansas); also in No. 1085, Prudential vs. Indiana, both dealing with discriminatory premium taxes.

The court cited its recent decisions in other insurance cases.

Prudential has directed all its local counsel to withdraw tax suits following the U. S. supreme court decision in the South Carolina case. There were 16 of these state cases in which Prudential was litigant.

Fire Classification Plan Ratified by Commissioners

PORTLAND, ORE.—The commissioners association here ratified the fire insurance classification plan consisting of 115 groupings. The spade work had been done and the question was disposed of at a committee meeting here Monday.

Decide to Continue Diemand Multiple Line Committee

PORTLAND, ORE.—The Diemand industry committee on multiple line underwriting is to be continued in existence and will be ready to handle any assignments from the commissioners.

executive committee at the June meeting of the N. A. I. C. Whether or not the members of the executive committee and the other commissioners receive the report in advance we do not know. The executive committee then takes action in June, so as to allow ample time for the incorporation of the changes in the printed blank.

"This year's agenda, together with the exhibits, constitutes 59 mimeographed 8½x11 pages. It contains numerous suggestions for changes. The agenda is dated April 4, and was received by some industry groups on April 11 accompanied by a notice that the com-

(CONTINUED ON PAGE 16)

Testimony Piles Up in Week of D. C. Rate Case

WASHINGTON—Hearing on the District of Columbia rate case was continued Monday before District Judge Holtzoff with the presentation of a number of exhibits in behalf of Superintendent Jordan. Some were ruled out on objection of company counsel, others admitted. One of the latter, the court indicated, could have a bearing on the question of confiscation under the rate reduction ordered by the superintendent.

This particular exhibit showed the companies during the period, 1940-44, reported a large increase in surplus, about \$17 millions in underwriting profit, over \$250,000 gains on investments, and paid out over \$250,000 in dividends.

Joseph Byrne, associated with Alfred M. Best, New York, was reported slated to testify in behalf of the companies, in rebuttal.

Witness for Superintendent

First witness called in behalf of the superintendent was his deputy, M. O. Stout, who has direct supervision over administering the D.C. fire rating law. After qualifying with a statement outlining his experience in connection with the insurance business since 1919, Mr. Stout described the two formulas used in the rate case, one by the superintendent, the other by the companies. The superintendent followed the basis used in Virginia, Stout said, and the companies did not supply actual earned premiums.

From a comparison of the two methods, it appeared the superintendent takes premiums overall in the District, also premiums written by classes. First he gets overall earned premiums for the District. Secondly he takes that fraction of it which fire writings bear to total writings. The companies, on the other hand, compute their worldwide fire and lightning premiums earned and then apply to that the fraction District writings in fire and lightning bears to worldwide writings.

The superintendent gets the District earned premiums and then goes to the class. The companies method starts with worldwide earned premiums and with classes, and then goes to the District business. The District's method does not allow either debit or credit on account of reinsurance. The companies' method does. In computing expense ratio, the District confined itself to D.C. business; the companies do not.

Judge Holtzoff indicated reinsurance should be considered in the cost of doing business, but Mr. Stout said no, that part of the liability leaves the writing company under reinsurance. The judge pleaded with the witness to testify in plain language so that a layman could understand.

Mr. Stout testified in detail about the exhibits. He said both formulas involve allocation of items. The 43.5% expense ratio was determined by the superintendent, he said, after study and review of experience and expenses of all the companies and was a judgment figure, based on reports made by companies to the District and on annual statements filed by the companies during the five year period. He did not use the average expense of all companies doing business in the District. That would have placed the business on a cost plus basis, according to Mr. Stout. To have used actual expenses of all companies would have taken away from the superintendent, the witness said, control over rates. The expense element in a rate is the only element the company can control, he said.

Lloyd Harrison, D.C. assistant corporation counsel, brought out that Southern Fire, Durham, N. C., and Allied American Mutual Fire had been withdrawn from the list of 173 plaintiffs in the case.

Abraham Kaplan, representing the companies, criticized the superinten-

(CONTINUED ON PAGE 20)

Only One National Convention a Year Urged for N. A. I. C.

McCormack Would Drop December Meeting for 2-Day Zone Gatherings

PORTLAND, ORE.—Elimination of the December meeting of the National Association of Insurance Commissioners and the substitution of two-day sessions in each of the zones during December

was suggested by Commissioner McCormack in his presidential address at the N. A. I. C. convention here. Admitting that there would be objections to this recommendation, Mr. McCormack said he believed, however, that the association could get along better with one meeting a year and do far better work if the zones carried out a regular convention routine and discussed all matters pertaining to the association within their zones so that they would be better prepared to make their decisions at the annual meeting. He suggested that these zone meetings not be limited to local affairs, but that they fully cover all the aspects of the National association.

A counterproposal, he said, might be made that the N. A. I. C. carry out the zone meetings and still have the semi-annual meetings. However, if this were done he feared that the zone meetings, together with the semi-annual meetings would interfere too greatly with the routine work of the various departments. Having to make a choice he would prefer that the zones have two-day sessions to talk over all their family problems in their own home atmosphere in preference to having the semi-annual national meetings.

No Sectional Feelings Promoted

Of the zone meetings, Mr. McCormack said that they are not sectional meetings and have not promoted sectional feelings, but allow the various departments to exchange their ideas more freely with their neighboring states that understand their problems better. There is not this opportunity to the same degree in the much larger national meeting. Even though the December meeting is not replaced with zone meetings, he would like to have some plan to encourage definite meetings of the zones at places of their own selection at the same time throughout the United States. The proceedings of the zone meetings would be made a part of the convention proceedings. This, he said, would be an excellent means of developing ideas "straight from the grass roots" and such a procedure would be in the public interest.

Mr. McCormack, of course, devoted considerable attention to public law 15 and its consequences. He pointed out that it already places the federal government in the business of regulating insurance to the extent that it is not effectively regulated by the state, and that some people think the federal trade commission act is broad enough under the present law to attempt to regulate unless the job is done effectively by the states. He said that the FTC threat of dual supervision "would be the delight of the typical Washington bureaucrat whether he be Democrat or Republican."

(CONTINUED ON PAGE 14)



J. M. McCormack

South Carolina Agents Meeting Sets New Record

J. T. Hudson, Spartanburg, President; F. B. Schachte, Charleston, Vice-president

J. T. Hudson, Spartanburg, was elected president of the South Carolina Association of Insurance Agents at the annual meeting in Charleston. Other officers are Frank B. Schachte, Charleston, vice-president; Claude Vaughan, Darlington, secretary-treasurer.

Attendance set a new record. The opening session was a luncheon at which Mayor E. E. Wehman, Jr., and Joseph E. Riley, of the Charleston Board, welcomed the convention. Alfred von Kolnitz, Charleston agent, recently discharged from the army as a lieutenant-colonel, told of the impressions received by the returning veterans.

M. M. Frost, vice-president of Eastern Air Lines, traced the development of commercial aviation and described many plans for the future.

Attacks Jordan's Stand

If Superintendent Jordan of the District of Columbia is upheld in his stand in the present rate case or if any other commissioner is to have the power arbitrarily to decide what the expense factor in the business shall be, he will have taken unto himself complete regulation not only of commissions, but also of all expense items of the company, Roger Kenney, insurance editor of "U. S. Investor," warned.

He said the all-industry committee and the commissioners have gone too far and too fast in this trend toward rigid state control for the good of the agency system. This is just one short step further to government ownership of the entire industry, he said.

Superintendent Jordan is posing as the final arbiter on how much expense the company shall incur in acquiring and administering the premium dollar. "Where does this fit into any scheme of private enterprise in the insurance business?" Mr. Kenney asked.

The difference between the 48.3% average expense ratio shown by the companies and the arbitrary figure of 43% set by Superintendent Jordan comes very nearly equaling the difference between the commission scale in the district and that in the adjoining state of Virginia, Mr. Kenney said. The former is an urban territory with a standard commission of 26%, while in Virginia, a farming and residential area, the rate is 20%.

Report of Administration

In his annual report, T. R. Miller, Florence, president, said that membership has passed the 300 mark and is at an all time high. The Dorchester county board was organized during the year and he urged members to cooperate in organizing more wherever possible.

Mr. Miller commented with pleasure on the fact that the United States Supreme Court had upheld the constitutionality of the South Carolina premium tax and pointed out that it confirms the right of the state to regulate insurance. He urged insurance men to unite in their opposition to government encroachment on private business and particularly to fight the Wagner-Murray-Dingell bill, despite the fact that no member of the medical profession has even acknowledged the support of the South Carolina association against it.

He said the executive committee voted

Read Opposes Commission Rule in Talk to Agents

OKLAHOMA CITY—In his address at the meeting of the Oklahoma Association of Insurance Agents here, Commissioner Read placed himself emphatically on record against any regulation of commissions. He said that it is his personal opinion that insurance supervising officials should not have jurisdiction over any part of the rate dollar other than the loss portion and that to extend his jurisdiction further would force him into arbitrating and fixing agency commissions, which he says properly should be a matter of contract between the company and the agent. In reviewing necessary or desirable insurance legislation in Oklahoma, Mr. Read pointed out the need for a rating law. He said that in his opinion the best law passed this year is that of Kentucky and added that very likely this is due to the fact that Commissioner Wilson is an experienced insurance man. He said the Mississippi law is similar to the one in Kentucky and in each case the insurance commissioners and the agents' association worked jointly for them.

Other Proposed Laws

Mr. Read said that he would like to see a law in Oklahoma providing a minimum capital stock or surplus of \$200,000 for the organization of a domestic insurance company of any kind or for admittance to the state. He said that he has twice prepared and caused such bills to be introduced in the legislature, without success, but will try again in 1947. He also strongly urged an agents' qualification law and asked the agents not to be discouraged by previous failures.

As an example of the need for perseverance in getting the right laws passed, Mr. Read pointed out that for years they asked for legislation to "stop the application for receivership of companies by shyster and ambulance chasing lawyers." Three legislatures passed such a bill, one governor permitting it to die on his desk, another vetoing it outright, but the third time it was signed and became law.

Discuss On-the-job Training

ST. LOUIS—B. G. Gregory, manager Insurance Board of St. Louis and executive secretary Missouri Association of Insurance Agents, will participate in a round table discussion of "GI on-the-job Training" which will be broadcast by station KXOK June 19.

He will be accompanied by a GI who has received on-the-job training through the cooperation of the board, which has taken a leading part in development of such educational facilities for former servicemen.

to support the National Tax Equality Association in its fight for equalizing taxes on cooperatives. He reported that the Blue Cross bill was signed by the governor and, while the association was opposed to development of this plan, it did not seem expedient to oppose it actively, particularly since private insurance interests did not take up hospitalization insurance sufficiently to offset government entry into the business.

Group Plan Well Received

Mr. Miller also reported that the group life and hospitalization insurance plan has been made effective and was favorably received by the members, while the cotton account continues to be satisfactory and profitable.

The banquet drew by far the largest attendance ever recorded at an association convention. Frank Barnwell, Florence, served as toastmaster and his introduction of distinguished guests was a display of humor thoroughly enjoyed by those attending.

President Reports Good Progress in Women's Group

ATLANTA—In her presidential report, which opened the meeting of the

National Association of Insurance Women here, Mrs. Fern H. Anderson, St. Paul, said that despite the increase in dues last year, which caused the loss of two clubs, the organization had a remarkable increase in membership. It now has 92 clubs and a total membership of 6,371.

Since no annual convention could be held during the last two years, due to wartime conditions, Mrs. Anderson pointed out that most of the officers and board members had not seen each other until the executive session Sunday, but that the national group had been carried on without hitch by mail and occasionally by telegram.

Dues Increase

Mrs. Anderson explained that the increase in dues was adopted by the executive board after a legal opinion from a law firm that it had authority to do so and was approved only because the small national dues were entirely inadequate for proper development of the organization. Now that annual conventions can be resumed, she said, there will be some revenue and it is also planned to sell advertising in the bulletin of the association. She pointed out that the only expenses of officers and board members for the annual convention which are paid by the organization are coach railroad fares and their registration. It costs an officer as much as \$200 to attend a convention if she travels a great distance.

The regional meetings, Mrs. Anderson said, are extremely important and have been most successful. She said that, contrary to the impression of some members, these meetings have been approved both by the membership and by the member clubs. They have been held so far at Tulsa, Sioux City, Kansas City, Minneapolis, Oklahoma City, Indianapolis, San Francisco and Atlantic City. There are no officers at the regional meetings, the board member representing the region being the regional director and arranging for and conducting the meeting. There are no dues, but only the registration fee to the hostess club to pay the expenses of the meeting.

Urges Beginners' Course

Praising the work which has been accomplished through the educational course of the association, Mrs. Anderson urged each club to foster a beginners' course in insurance. There is a serious shortage of insurance personnel and she said urging and assisting girls in their work can be a magnificent contribution to the insurance business.

Mrs. Anderson urged each club officer to send the mailing list of her club in promptly so the bulletin will get to all members without delay.

Hyde In Maine for Springfield

William D. Hyde has been named special agent in Maine for Springfield. Mr. Hyde will be associated with State Agent M. S. Bradish at Portland.

He is a graduate of Bowdoin College and a veteran of the south Pacific where he served as a naval lieutenant. He joined Springfield in 1938.

Marsh & McLennan Addition

The insurance business of Dunlaevy, Cleaves & Burnham, New York City, has been taken over by Marsh & McLennan. The firm was founded in 1933.

Miss. Agents Elect Flautt President; Peak Crowd Attends

E. H. Ruble, Back from Service, Becomes Vice-president

The Mississippi Association of Insurance Agents convention at Biloxi far exceeded in attendance any previous meeting. More than 375 agents, company men and guests attended the three-day session.

William F. Flautt, Tutwiler, who has served for the past year as vice-president, was advanced to the presidency. Mr. Flautt has also been active in National association circles, having served on the rural agents committee. He succeeded W. S. Smylie, Meridian, who was praised for his excellent administration. E. H. Ruble, West Point, a



Fern H. Anderson



W. H. Flautt



Clant M. Seay

veteran and former director, will take up his association work again as the new vice-president. Theo Hardy, Vicksburg, veteran Mississippi leader, was reelected state national director.

New members elected to the board were: Warner Wells, Jr., Greenwood; H. C. Roberts, Canton; M. Shelby Pickett, Hattiesburg, and Dave Taylor, Vicksburg.

Casualty and Surety Committee

Among important resolutions adopted was one directing the incoming administration to appoint a casualty and surety committee from the association to work with the insurance commission and companies in order to bring the highest efficiency possible in insurance service and coverage to the insuring public under the state's casualty rating law, passed at the 1946 legislature. The agents' group also directed a request to the insurance commission to revise the present "credit ruling" which has been in effect since 1926, to provide that agents may finance premiums "at not exceeding the legal rate of interest."

Dealing with automobile rating, the association directed a resolution to the state rating bureau asking that jeeps, when used as a private vehicle, be insured under the private passenger rate and further, that insurance on commercial vehicles for comprehensive coverage be permitted on the actual cash value basis.

The Mississippi association also adopted a resolution affirming and ratifying the branch office resolutions adopted by the National association at the mid-year meeting; also, that the Mississippi association endorsed the National association's resolution pressing for the passage of the Case bill, modifying the action required to the extent that the association wire the President of the United States asking that he sign the bill as passed.

Following an excellent address by

(CONTINUED ON PAGE 40)

Speaking Of Saving Money...



Forgetting your wife's birthday is one way to save money . . . but you may lose a lot in popularity.



A Better Way to save money is to put your Insurance on a 3-year basis... and reduce your premium 16 2/3%.

Yes, your insurance costs you 16 2/3% less when you buy it on a 3-year basis instead of paying premiums annually. Can you think of a sounder or safer way to use your money? And you can buy your fire insurance, burglary insurance and most other coverages this money-saving way.

Why not call your local agent or broker today and arrange to take advantage of this important saving?

Remember, too, that when you buy your insurance from an agent who represents capital stock companies such as those comprising the Aetna Insurance Group, your policy is backed by both a paid-in capital and surplus. You are never liable for assessment.

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MEMO

TO BROKERS AND AGENTS

You save on paper work . . . your clients save in money . . . when policies are issued on a 3 or 5 year basis. This advertisement shows how the Aetna is encouraging the public to buy insurance this way. It appears—in color—in the July 15th issue of Time, the weekly news magazine—the August 26th issue of Newsweek—and the August 2nd issue of United States News. The Aetna Insurance Group, W. Ross McCain, President.

Listen to EARL GODWIN American Broadcasting Company Thursday Evening

All Industry Group Adopts Rating Bills

PORTLAND, ORE.—With a gallery of 200 spectators, the all-industry committee put on a full-dress performance Monday morning during the commissioners convention. F. J. Marryott, Liberty Mutual, reported for the conference committee the latest edition of the fire and casualty rating bills and by roll-call vote the motion was adopted to accept and approve the two measures. The motion cited the fact that the science of rate-making is a progressive one, declaring that new ideas might develop as time goes on of sufficient importance to receive further consideration of the committee.

The conference committee reported an editorial change in the fire bill to provide for exclusion of motor vehicle regulation, inasmuch as this is covered in the casualty act.

The all-industry group approved an explanatory memorandum of the conference committee on the casualty bill; authorized the conference committee to set the time and place for the next meeting, and appointed the conference committee as a press committee.

Newcomb Joins Great American

William E. Newcomb of Chicago, assistant manager of the Western Underwriters Association, is resigning to join the western department of Great American, taking his post next Monday as executive assistant to its official staff in the west. He has had an all-around experience. He has given much attention to the field organizations, assisting them in revising their constitution and bylaws and conferring with them on other subjects. He has been assistant secretary of the Western Hail & Adjustment Association and has worked with Assistant Manager Born in the Farm Underwriters Association. He had a wide field experience in California and the mountain field before taking his position with the Western



W. E. Newcomb

Underwriters Association. He has become acquainted with many of the field men and local agents in the central west.

Mr. Newcomb began his insurance career with Commercial Union at the coast office in San Francisco. He traveled for the company in California for 10 years, in the San Joaquin valley and northern California. He then went to the Rocky Mountain field with headquarters at Denver. He also was with Commercial Union during his field work. He joined the Western Underwriters Association at Chicago in February, 1942. His previous training and experience admirably qualified him for the responsibilities of organization work. He was prominent in working out the revision of the rules of the Western Underwriters Association and thus he has had an unusual schooling.

U. & O. Booklet Brought Up-to-Date

A revision of the excellent booklet on use and occupancy insurance for use by agents with prospects, has been issued by Home. Written by Vice-president Leonard Peterson and containing the ideas of many of his associates, the booklet gives a clear and effective outline of the needs for business interruption coverage. It is done in two colors and is extensively illustrated. The information is presented in question and answer form.

In the back of the pamphlet are contained four worksheets for manufacturing gross earnings, non-manufacturing gross earnings, weekly, and contribution forms.

Natl. Union Indemnity's New Official Organization Man

Ralph Newman, who was recently appointed vice-president of National Union Indemnity, has been active in casualty organization and education work. He has served on committees of the National Bureau of Casualty & Surety Underwriters; was chairman of Automobile Underwriters Association of New York, and lectured on casualty insurance for several terms for the Insurance Institute of New York. Mr. Newman began his casualty career with Employers Reinsurance. In 1927, he joined U. S. Casualty as an underwriter and the following year was appointed automobile manager. He leaves U. S. Casualty as assistant secretary.



Ralph Newman

Michigan Institute Course Is Under Way at Clear Lake

The Michigan Association of Insurance Agents sponsored insurance institute at Clear Lake near Hastings is being attended this week by 65 agents and prospective agents. Waldo O. Hildebrand, secretary-manager, is taking an active part in administering the program at the Kellogg Foundation camp. The institute "short course" started Monday and will run through Friday.

Richard E. Farrer, director of education for the National association, is attending as an observer and is assisting H. Thompson Stock, state association educational director, with some of the fire courses.

Now Walter F. Page & Co.

The name of the A. P. Nichols Investment Co., a Kansas City firm handling insurance, real estate, property management and mortgage loans, has been changed to Walter F. Page & Co. The office is at 921 Walnut street.

Brown Tells Va. Agents to Cash In on Opportunities

In a penetrating address delivered at the annual meeting of the Virginia Association of Insurance Agents at Virginia Beach last week, Hunter Brown, president of the National association, discussed agency security, emphasizing it depends solely upon individual achievement.

Mr. Brown asserted that the future of the local agency is linked closely with the national association and that the latter is a strong and growing organization.

Explaining how the agent can tie in with the National association, he said that the first objective is education in the business. The fire prevention manual "It Is Our Business," can be of great aid in this program, he said. It is written and designed around the agent and unless the agent is behind it the effort will lose about half effectiveness he declared. State associations, local boards and individual members must swing into action as described in the manual.

Then Mr. Brown emphasized the agent's part in increasing insurance to value. He stressed the need of making use of materials supplied by the National Board and the fire companies. This also opens the way for additional premium income during an inflation period.

Some people regard production on a direct basis by companies as a threat to the American agency system and some companies have operated successfully in this manner and others may do so in the near future, he said, but agents should not be critical of those companies, rather they should make a survey of themselves. If the agents were doing a proper job there would be no incentive for direct production by any carrier, he declared. There should be no fear for the security of the agency system as long as it is the best method of bringing the insurance to the property owner from the carrier and when that method ceases to be the most efficient and most economical, then there should be fears for agency security.

Commenting on on-the-job training, Mr. Brown said that the time for use is now. It fits admirably into what used to be called the "postwar period." No agency can do the job it is expected to do without necessary manpower and he recommended that every agency, large or small, keep in mind that it should have more help than is necessary for the business it does and not enough help for business it should be doing.

"Until the agents are doing a much better sales coverage than today, there is no cause for being satisfied and they cannot expect the companies to be content with many millions of dollars of extra premiums waiting to be willingly paid for insurance protection not now sold," he stated. Office manpower should be brought to the point where it can do the volume possible but dreaming about these things accomplishes little and Mr. Brown said the best way to make dreams come true is to wake up.

Mr. Brown noted that accidents are rising and this should be of concern to every agent, as they must think about the substantial increase in rates certain to follow. There will be shortly announced the program developed at President Truman's accident prevention conference held recently in Washington, and he asserted that this is something the agents must push 100%.

Politics have invaded economics, Mr. Brown said, and this makes dangerous going for private enterprise when government discovers it can set up a corporation of its own which pays no taxes and competes with its own citizens, putting them out of business and taxing them for the privilege. He came out strongly for tax equality, hitting cooperatives which are exempt, and urged members to write their congressmen on tax matters.

SPRIT OF '46



DOMESTIC ADVANCEMENT

THE Spirit of '46 guides modern thinking as America faces new tomorrows.

It fosters the trend to new work-saving efficiency, new comfort and convenience—a far-reaching trend that goes deep into the home life of a nation. Here it is seen in the increasingly accepted use of cold and heat as servants, in new lighting ideas and uses, in scientific design of household utilities, in the combining of beauty, comfort and usability to create tomorrow's domestic advantages for the housewife of today.

Another trend reaching deep into America's homes is the trend to modern, improved insurance protection... such protection as that advanced by these time-tested and progressive fire insurance companies. Streamlined facilities, progressive operational policies, enlightened conceptions of service are motivated by the forward-looking Spirit of '46.

The wide-awake agent will find Millers National and Illinois Fire helpful in advancing the cause of prosperity through better insurance protection.

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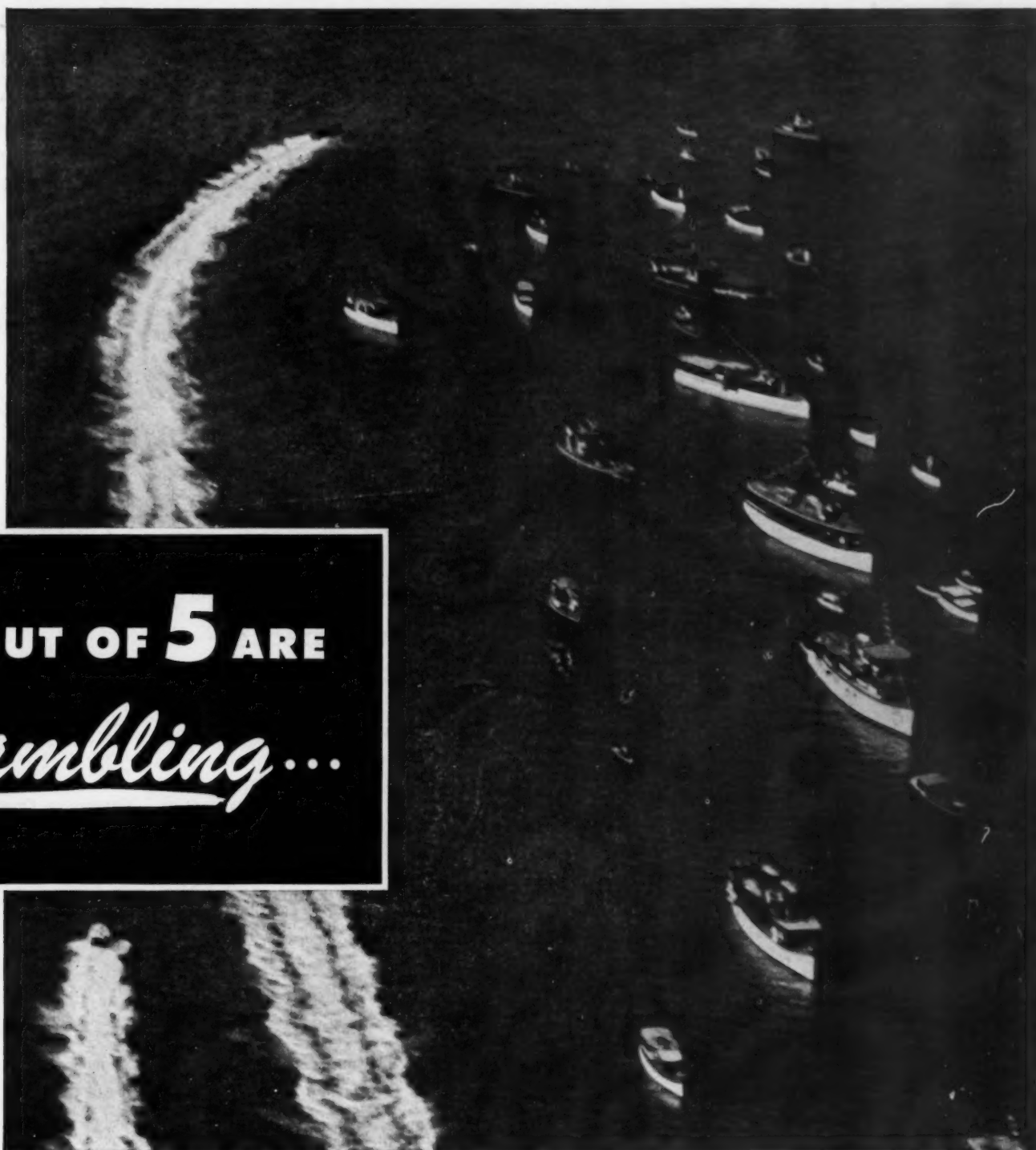
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Pierce Elected N.F.P.A. President

Seek Halt to High Fire Loss by Automatic Alarm Systems

BOSTON—Curtis W. Pierce, president of the National Fire Protection Association, was elected president of the association at its annual meeting here, succeeding R. E. Vernor, fire prevention manager Western Actuarial Bureau, Chicago. E. O. Shreve of New York and J. L. Wilds, Chicago, were elected vice-presidents, H. T. Freeman, secretary, and G. W. Elliott, Philadelphia, chairman of the executive committee.

Several resolutions were approved by the delegates.

It was resolved that, because fire loss continues at a rapid rate and because automatic fire alarm protection developed during the war has proven itself unusually effective, the committee on signaling systems should review government experience at once and take appropriate action.

The increasing danger of gasoline ex-

plosion and fire because of increased use of heavy farm equipment and bulk fuel storage was underscored in a resolution requesting the flammable liquids committee to study the situation. This resolution endorsed the N. F. P. A. committee on farm fire protection action condemning unsafe practices of bulk gasoline storage on farms.

Committee reports were presented



C. W. Pierce



R. E. Vernor

covering automatic sprinklers, hydrants, fire pumps, field practice, wetting agents in fire extinguishment, safety to life, housing, city planning and pyrotechnics.

Thomas Holden, president of F. W. Dodge Corp., spoke on housing, saying that "there has been an apparent in-

an exaggerated, non-factual picture of shortage conditions and thus bolster the urgency plea for speedy enactment of the measure. Its proponents "are under suspicion of having sought to delay or prevent publication of the census bureau's report on housing conditions revealed by the survey the bureau made in November 1945," he said.

The speaker said that that report was finally published May 16, that it showed progress during war years in housing conditions revealed by the bureau's survey "whereas Messrs. Bowles and Wyatt have publicly quoted figures showing the reverse situation."

An industrial fire forum on protection methods and practices was held. Committees held conferences, and the last afternoon was given over to discussion of such matters as air conditioning, blower systems, dust explosion hazards, general storage, storage of combustibles, hazardous chemicals, spontaneous ignition, finishing processes, static electricity, over-ventilation and firemen's training.

Many of the living past association presidents attended the president's luncheon, with special honors paid to Charles B. MacKinney, vice-president Starkweather & Shepley, the oldest member in years of service, and to Henry Fiske, Grinnell Sprinkler Co., Providence, second oldest member. Following the luncheon the delegates were taken on a cruise of Boston harbor.

Oklahoma Agents Elect Russell

Becomes President at Annual Convention Held in Oklahoma City

NEW OFFICERS ELECTED

President—Reece L. Russell, Lawton, Vice-president—Fred Fox, Oklahoma City.

Secretary-treasurer—Harry T. Moran, Oklahoma City.

New members of Executive Committee—Boyd Cowden, Chandler; Kent W. Johnson, Alva; Byron D. Deselms, Tulsa.

OKLAHOMA CITY—"Know your business," was the keynote of the closing day's sessions of the Oklahoma Association of Insurance Agents convention, beginning with an educational discussion of what is new in insurance and the future outlook, given by the field men. Clarence H. Kelley, manager Home group, cited public relations as more important than ever in the fire insurance agents program of today.

Z. M. Lang, state agent, Great American, asked that agents throughout the state explore possibilities of establishing insurance courses at Oklahoma University, Oklahoma A. & M. College and Oklahoma City College. He advised four 90-day courses to be conducted each year. He also pointed to the necessity of bringing up coverage to the current values of dwellings and other buildings.

Glenn H. Duffy, assistant manager U. S. F. & G., explained the coverage and exclusions in general and automobile comprehensive liability; and Burt Ludlow, casualty manager Travelers, spoke briefly of new developments in automobile liability.

Gardner on Opportunities

"Learn your contracts" was the theme of the discussion of "opportunities in burglary and all-risk money and securities"; and "protect your own agency as well as your clients was the message of Nat. P. Gardner, Jr., manager National Surety.

No matter what is the goal of an individual agent, he can achieve it only by picking the best route, Richard E. Farrer, educational director National association, said in his address on "Why Not Travel the Paved Road?" The agent who relies on the standing of his company, the standard forms he has to present, etc., or perhaps resorts to a sympathy appeal, is concerned only with his income and not with his client's needs," he said. "This man is traveling the rough, bumpy road and it is plain to see that he is a commission hound." The average prospect is not concerned with what he can do for the agent.

Continual Study Required

"The measure of success is not the profit, but is studying the assured from all angles and knowing about the hazards he faces in his financial setup. The agent also must be confident that he knows the practical coverage to recommend to provide against loss. This means a continued program of study in order to be alert to the new methods and developments. This is not too much to demand. A doctor and lawyer both are continually studying to avoid lagging in the profession."

A resolution was passed recommending that the president be directed to file a protest with the veterans administration against a ruling which provides in substance that a close relative of the owner of an establishment, otherwise approved for veterans' on-the-job training, is not considered eligible and would not be permitted to take the training under government GI allowances except under most unusual circumstances, and then only after submitting full facts to the central office for approval, show-

(CONTINUED ON PAGE 15)

While they're away, a WEDDING PRESENTS FLOATER will protect their gifts



Newlyweds in your community should be advised to insure their wedding gifts with a "Kansas City" Wedding Presents Floater to cover the gifts wherever they may be. This insurance, for which June is an especially opportune month, provides the usual "all-risk" protection from the inception date to ninety days after the wedding day. Then the original Wedding Presents Floater may be replaced with a "Kansas City" Personal Property Floater to cover all personal effects.

Installment Floater Insurance should be in demand at this time. We suggest our agents contact appliance and furniture dealers and offer them this protection.

KANSAS CITY Fire and Marine
INSURANCE COMPANY
KANSAS CITY, MISSOURI

Fire Premiums Show Increase

Business is up substantially for the fire companies for the first six months, much, if not all, of it due to increased insurance to cover increased values. Just what the gain amounts to will be hard to ascertain until the six months' statements are in, but it may run as much as 20%.

One company ran a test check of its business and discovered that a substantial amount of premium increase had come so far this year from endorsements hiking the amount of coverage. In Atlanta one agent recently put on \$20,000 additional premiums as the result of a week's work on the telephone, calling on owners of smaller residences. He has yet to see owners of the more substantial dwellings and his mercantile clients.

Illinois, Indiana Field Groups at Lake Wawasee

LAKE WAWASEE, IND.—The Illinois Fire Underwriters Association and the Indiana Fire Underwriters Association are holding their annual meetings here this week. A. R. Miller, America Fore, is president of the Illinois body; James A. Bawden, Springfield F. & M., Indiana. Ross J. Harmon, Home, vice-president in Illinois, undoubtedly will be elevated to the presidency. L. D. Swisher of the W. P. Ray Co. general agency, is the new president in Indiana.

Alvin Bulau, Home, was elected vice-president at the business meeting Tuesday.

The Indiana men had a softball game Monday and the business meeting Tuesday. The afternoon was spent by both bodies in sports. In the evening the Indiana people gave a dinner to which the Illinois delegates were invited. The speakers were W. R. Caskey and H. E. McClain, manager Indiana Association of Insurance Agents. The Indiana men had a business session Wednesday as did the Illinois association is holding over on Thursday. The Illinois Fire Prevention Association is holding its annual meeting Thursday, Harry Conklin of Firemen's being president.

New officers of the Insurance Women of Decatur installed at the last meeting are E. F. Jackson, Wolverine, president; Florence McConnell, Sanks agency, vice-president; Elsie Siebert, Nicholson, Clark & Co., secretary, and Jean Fulk, Best agency, treasurer.

A Foursome That's Hard to Beat



● You'll find this AMERICAN STATES foursome hard to beat for boosting your premium volume and your INCOME... especially when you concentrate on the c-o-m-p-l-e-t-e AMERICAN STATES line—automobile, casualty and fire.

And remember—AMERICAN STATES is one of the country's leading stock companies, with assets in excess of \$5,000,000.00.

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possibilities in selling the AMERICAN STATES complete line. Write, wire or 'phone.

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AMERICAN STATES FIRE INSURANCE CO.

Va. Agents Discuss New Opportunities

Importance of Legislation, Bank-Agent Plan, Pure Premiums Stressed

NEW OFFICERS ELECTED

President—Theo. W. Kelley, Richmond.

Vice-president—J. Victor Arthur, Winchester.

Secretary-treasurer—Charles W. Pryor, Lynchburg.

State National Director—Roger Clarke, Fredericksburg.

Over 200 were on hand for the annual meeting at Virginia Beach last week of the Virginia Association of Insurance Agents, whose discussions centered on new opportunities available.

Featured speakers were Hunter Brown, president of the national association, Senator Harry Byrd of Virginia, and E. C. Stone, U. S. manager of Employers Liability.

The importance of participation by local boards in the bank and agents auto plan was stressed by retiring President John T. Minter, Norfolk, in his report. Mr. Minter said that numerous banks have given their approval of the

plan, although the Virginia Bankers Association had not agreed to it as a unit.

He also recommended that a strong legislative committee be appointed to prepare the association's stand for the advisory legislature council, which is to make a study of insurance laws. A resolution of thanks to E. C. Stone was adopted for his enlightening address on PL 15, which explained the background of provisions of the law.

Mr. Minter made a recommendation that windstorm rates be followed up closely in an attempt to procure relief on the basis of making rates. He also asked that local boards using the word exchange in their titles eliminate this in order to conform with the state name.

The Bernard P. Carter cup, awarded the board doing the most service, went to the Richmond exchange.

Carlson Speaks

Manager J. Earle Dunford reported membership now in 371, a gain of 17. He said that the group life plan is getting off to a good start with 168 agencies participating covering 550 persons. There is \$1,773,000 of insurance in force, the coverage being written by Life of Virginia. He mentioned that five highly successful regional meetings were held during the year and stated that officers of the association plan to visit all sections of the state in 1946.

O. Ray Carlson, manager of automobile department American of New-ark, in his talk stressed the oppor-

tunities presented by the bank and agent auto plan.

At the banquet, Mr. Stone discussed public law 15, coming out strongly against freezing of rates and urging consideration for the "pure premium" ideas in rate making.

Hunter Brown made a big hit with his talk on "Agency Security" when he said agents should take advantage of the many opportunities presented by reconversion and build up and preserve their business. He made light of the idea prevailing in many quarters that people can be legislated into prosperity.

A veto of the Case bill would be a tragedy, Senator Harry F. Byrd said in his banquet speech. He described the Case bill as designed to make ground work for prevention of future strikes and he dealt largely with the labor situation.

President's Background

T. W. Kelley, the new president is a past president of the Richmond Insurance Exchange and head of the Julius Straus & Son agency there. He was vice-president and board chairman of the association last year. He has been in insurance since 1921 when he joined Virginia F. & M. In 1931 he was made manager of the insurance department of Brooks & Richardson, Richmond. He joined the Straus agency in 1939.

J. Davis Ewell, Jr., Richmond, won the agents golf match with a 73. His father was second with 76. Harry F. Thompson, president Louis E. England general agency of Richmond was first in the company men match with a 75. Ronald Wille, Aetna, Richmond, was second.

A dinner was held for past-presidents and 14 of those were on hand.

Newly elected directors are: W. C. Bowen, Newport News; W. G. Brinkley, Norfolk; Warren F. Curtis, Richmond; A. Paul Hartz, Waverly; John A. Lester, Wytheville; W. J. Perry, Jr., Staunton; Guy F. Via, Charlottesville; C. R. Adair, Narrows; Frank E. Kinzer, Covington.

Talbot, Bird Chicago Expansion

James P. Murphy, for the past 10 years an attorney at the head office of Talbot, Bird & Co., has been appointed general manager of the western department at Chicago. The appointment marks one step in an expansion program for Universal and Universal Indemnity and ultimately for other companies of the group.

The management concern represents as marine managers Eagle Star, Globe & Rutgers and General of Seattle.

One objective is to improve the companies' position in Cook county and suburban areas.

Mr. Murphy recently returned from service. E. H. Hopke will continue with Universal and Universal Indemnity as automobile manager. The companies are developing a staff claim service under Marie A. O'Grady, claim manager.

Protective Fire Changes

C. T. Joern, president of Protective Fire, Seward, Neb., has resigned and is succeeded by Paul M. Colburn, formerly of Des Moines, who will also serve as general manager.

Faye Wood of Seward was elected chairman, and J. M. Calder, Lincoln, was named vice-president, succeeding C. W. McClain.

Heffernan Agency In 100th Year

T. Heffernan & Son agency at Plattsburg, N. Y., is observing its 100th anniversary. The present head, Walter E. Heffernan, succeeded his father, Thomas Heffernan, when the latter died in 1913 after nearly 50 years with the agency. The agency was established by Z. C. Platt, nephew of the founder at Plattsburg, in 1846. It has been at the same location all that time, although twice burned out.

Vermont Agents Hold Spring Rally

A resolution instructing the officers of the Vermont Association of Insurance Agents to request a commission scale on fire business equal to the average commission country-wide of about 23½% was adopted at the spring meeting at Woodstock.

In a discussion it was brought out that nothing has been done to offset increases in agency costs, and fire commissions have remained at 20%, while costs have been steadily going up. Action was begun on revision of the constitution and by laws in order to increase dues.

Leading off the speaking program was Arthur Clarke, Boston, special agent for Springfield F.&M., making his third appearance before the Vermont agents. He gave an audience participation program covering the auto fire and theft policy and using examples of trick cases. He showed his audience that the constant study of policies is necessary.

E. C. Stone, U. S. manager of Employers Liability, spoke on public law 15, urging a so-called "pure premium" theory in rate making, and restating his oft-repeated position.

Edward M. Allen, executive vice-president National Surety, was the banquet speaker. In a stirring address he called for use of the old ideas of thrift and hard work and asked that people forget the new notions of government paternalism. He emphasized that only through individual effort may the agents hope to preserve the American agency system and an agent cannot rely on his company to carry him through the job.

Potter on Valuation Problem

The agent may become legally liable when he values a house and his client insures to that figure, and at least is morally liable, F. P. O. Potter, engineer of Automobile of Hartford, said in his talk.

Mr. Potter reviewed the rise in building and replacement costs since the last war and pointed out the need for accurate valuation on properties today.

Then he delved into the agent's obligation in valuations, saying that many agents have advised their policyholders to increase insurance on their property and have often been requested to name the present day value. Such a situation for the agent can be very dangerous, he noted, and the agent has usually advised an appraisal by a disinterested party. Some agents ask their companies to make these appraisals, and a few have "gone out on a limb" and done it themselves.

May Cause Trouble

That is where the agent can get into trouble, Mr. Potter emphasized. He noted several cases in which an agent had advised insurance which later turned out to be too little or insufficient to meet the coinsurance clause. The result has always been that the agent is then considered ignorant in his own business.

When the agent makes the valuation, he will probably be unable to do so on component parts as does a company, and he warned against use of simple charts and tables.

If an agent cannot get his policyholder to use an independent appraiser, he should turn to the company, Mr. Potter recommended. It is obvious that such service is expensive and cuts deeply into a reasonable expense item for any individual agency, he said, and such service cannot always be given freely. It should not be expected of any company that does not have in excess of \$3,000 annual premiums from the agency, with less than a 35% gross loss ratio. He told the agents to confine their requests to leading companies in their agency.

Interested Party Appraisal

Even when such an appraisal is made, it has been done by an interested party to the contract of insurance, he pointed



Highlights
IN
INSURANCE HISTORY

Insurance Against Capture

An insuring was made in London May 9th, 1760, "interest or no interest" on behalf of George Carter, the Governor of Fort Marlborough against the said fort being taken by any foreign enemy. The Fort was taken on April 3rd 1761 by the French. The Underwriters at Lloyds resisted payment of claim. An action was brought on the policy and verdict obtained. (There had been no similar claim in the law books.) The underwriters appealed on the ground of there having been fraudulent concealment when the insurance was obtained. They claimed among other things that the state and condition of the Fort at the time of the insuring had not been truthfully presented.

The NATIONAL UNION and BIRMINGHAM are outstanding for their records of settling losses promptly and fairly.

National Union and Birmingham
FIRE INSURANCE COMPANIES
PITTSBURGH PENNSYLVANIA

Therefore a third party estimated must be obtained after a loss. Many believe people that the present increased values are temporary and have now reached their peak. However, if the trend after the last war may be taken as a criterion, values will never return to their pre-war levels. It is the agent's moral responsibility, Mr. Potter stated, to so advise his policyholders and to establish a third party estimate wherever possible. It is also necessary to be reasonable in demands upon the companies. He said that it has been his experience that this type of cooperation enhances the prestige of the agent and company in a community, improves company-agent relationship, and provides increased income.

Tighten Yield Test for Amortization

(CONTINUED FROM PAGE 4)

The way the commissioners have tightened up the quality requirements for eligibility to amortization is strikingly shown by taking the maximum permissible yield on a bond of 21½ years maturity. (Any bond with a longer maturity than 21½ years is regarded as having a 21½ year maturity.) In 1941, when the yield test was adopted, such a bond would have been eligible to amortization provided its yield did not exceed 6.21%. It was necessary to set permissible yield fairly high because the standard was being applied not merely to new purchases but to existing portfolios. The committee felt it was only fair to give the companies that needed it time to improve their portfolios.

The amount by which corporate and special revenue bonds could exceed comparable government maturities remained the same in 1942 but because of the higher yield on long term governments the permissible yield under the test was 6.32%. From then on the amount by which corporate and special revenue bonds could exceed comparable governments has been steadily reduced with the result that the permissible yield in 1943 was 5.92%; in 1944, 5.34%; in 1945, 4.18%, while for 1946, if it is assumed that Dec. 1 government yields are the same as they were on April 1, 1946 the permissible yield would be 3.79%.

Comparison Is Shown

The amount by which corporate and special revenue bonds could exceed governments of comparable maturity was 2.90 in 1941 and 1942, 3.50 in 1943, 2.90 in 1944, 2.10 in 1945 and 1.80 in 1946.

The 1946 basis brings the permissible yield very close to the rate on Baa bonds under Moody's rating.

The method of determining what constitutes a comparable government maturity is to list all governments according to call date, using "free" governments, that is bonds which national banks may own. Yields are plotted on a graph and a line drawn through the

points so as to give values for years for which there are no government maturities. This line is projected to give values for maturities beyond existing government maturities.

The yield test has worked out very satisfactorily. It is a substitute for the previously used market price. The latter was inadequate in that it did not distinguish, for example, between a bond selling for 80 maturing 20 years hence and a bond selling for 80 maturing a year hence. Obviously the latter bond is worth much less than the longer-

term bond for the fact that it is quoted at 80 indicates pretty clearly that it is not going to be paid at maturity.

Can't Determine Volume Affected

There is no way that the committee can tell, even approximately, what dollar volume of bonds would be affected by tightening of the yield test. The companies do not report the dollar amounts of bond purchases.

The 1945 valuation book listed 7,070 bonds of which 4,789 were eligible for amortization and 2,281 were not. These

ratios, however, give no indication whatever what percentage of bonds held by insurers are eligible to amortization.

In its resolution here the N.A.I.C. adopted the new basis recommended by the valuation subcommittee for oil production loans based on present value of oil in the ground rather than the former basis of present value of future production. No action was taken on the proposed method for valuing preferred stocks so as to make fluctuations in value less drastic for statement purposes. This was sponsored by the life

An advertisement similar to this appeared in NEWSWEEK, May 20, 1946



Whether you are engaged in shipping, or not...

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Have you reviewed the amounts of your insurance policies in the light of today's increased values?

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This man has a background of twenty years Fire experience with both companies and agencies. He also has a good understanding of Casualty lines.

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companies and while it was designed only to apply to life company statements the other classes of companies were somewhat concerned about its effect on them.

Also, in line with the subcommittee's proposal, no action was taken on the requiring of a reserve to be set up under liabilities to provide for fluctuations in the valuation of stocks. This was the subject of a hearing in New York last month, but in view of the fact that it was the first hearing on the subject the subcommittee felt it was not in a position to make any final recommendations to the full committee though it emphasized that serious consideration should be given to the subject by the states and the insurance industry. The subcommittee will continue its studies and hopes to be able to submit a report with definite recommendations at next December's meeting.

Bruce Shepherd, Life Insurance Association, said the L.I.A. is disappointed that the N.A.I.C. was not able to see eye to eye with the companies on the preferred stock valuation formula but he said he recognizes this is part of a broad problem. He suggested that the commissioners not confine themselves to the one possible answer of setting up a fluctuation reserve as a liability item but consider various approaches. Whether

such a reserve shall be treated as a liability or as surplus is important because of tax considerations. Legislation may be required.

A. N. Guertin, A.L.C., said the question might well be treated from the life insurance standpoint alone. In any event the matter should be tackled forthwith because the market is high and because the life companies are hard pressed for investment outlets.

Emilio G. Collado, U. S. executive director of the International Bank, was scheduled to address that meeting but his place was taken by J. Burke Knapp of Washington. Mr. Knapp in the brief time allotted made a lucid explanation of the bank and the nature of its securities. The first debentures will probably be issued this year but insurers can't buy them until the state laws are amended. He urged that this be done at next year's legislative sessions.

The terms of the securities will depend on the market. The interest rate has not been determined nor the maturities, nor whether they shall be serials or sinking fund. On top of the interest rate the bank will charge 1% commission per annum to create a special reserve to help meet losses. Underwriting houses will not be used. Offerings will be made through fiscal agents and possibly through selling groups. The widest possible distribution is desired.

Asks Zone Meetings, No Dec. Convention

(CONTINUED FROM PAGE 5)

He warned that "we should avoid legislation, even under the excuse of uniformity, that would reduce fair competition or discourage new forms or types of insurance coverage."

Must Have Elasticity

While expressing the hope that the commissioners would avoid sanctioning any legislation favoring interlocking directorates of insurance companies, group management or interlocking ownership of insurance companies, he said that some reasonable elasticity must be given so as not to prevent the legitimate underwriting of multiple line business.

Urging that the commissioners recommend for passage in their states only the rating bills recommended by the N. A. I. C., he said that interstate rating or multiple line location risks require further study and no state legislation should prevent the economic non-discriminatory rating of risks. No preference as to loss and expense features should be given to such risks over risks of similar experience that are not multiple location or interstate. Further study should be made of graded expense to be applied to experience rated risks. He pointed out that the proper application of experience rating and graded expense would make it unnecessary to have discriminatory plans such as proposed by the War Department during the last war. State laws, such as countersignature laws should not be interpreted in such a way as to increase the cost of insurance, he said.

Use of Coinsurance

Mr. McCormack said the fire and marine committees should study the advisability of recommending a more extended use of the coinsurance clause as applied to dwelling, particularly in highly protected areas. The proper use of such a clause could have prevented the "highly objectionable HOLC plan."

Mr. McCormack reiterated his belief that rating plans should provide in the formula a contingency factor that would eventually adjust excessive overcharges or undercharges. It could be used also to reimburse companies for catastrophe losses. He said this did not mean the companies should reserve as a liability any excess earnings on underwriting or that they should make a settlement with any individual policyholders insofar as this contingency factor is concerned, but that the rating formula in the over-all picture would refund overcharges and recover excessive losses. One of its main accomplishments would be to correct errors in the rating structure and to keep rates in the correct balance in the long range viewpoint.

Lists Recommendations

Other recommendations were a return to more complete statistics including those on earned premiums and incurred losses by each type of policy form and each rating territory; a review of state laws to see that ample capital structure is provided for each separate type of class of business written, not only as respects licensing of new companies but for continued operations as well; amendments to provide for multiple line insurance; agreement by the N. A. I. C. on proper definitions or classifications of insurance; cooperation with national and state safety and fire prevention campaigns which, when properly conducted, tend to reduce losses and thereby lower the cost of insurance; encouraging and cooperating with the engineering departments of insurers, including arson investigation; encouraging legislation to eliminate fraudulent claims; maintenance of policy service departments to insist on liberal and fair treatment of every policy claim; review of state laws to prevent monopolies, including the organization of companies to write principally business controlled by its stockholders or

their affiliates; review of state laws regarding the entry of foreign companies, including a prohibition on any company being permitted to invest its assets in the stock of any insurer not qualified to do business in the United States; encouraging the setting up of reserves that would be recognized for tax purposes by both the federal and state governments to cover future losses that may take place from investment fluctuation, depreciation, or catastrophes.

In connection with rating plans, Mr. McCormack said that these should not be looked upon as window dressing and limited only to the business obtained by the local agents, but that the local policyholder and agent must have the same rate as is offered to the preferred customer of the big broker. There should be no unfair discriminations, he said, and brokers should deal through local agents of the company.

Should Have Central Office

The commissioners, said Mr. McCormack, should consider the creation of a central office that would not have the effect of setting up a super-commissioner. He expressed opposition to any plan to set up a central office that would give any salaried employee the right to speak for a commissioner or group of commissioners. As to the convention form of examinations, he had no suggestions except to suggest that each state insist on its examiners not being extravagant in their expense accounts.

Mr. McCormack said the only successful way to combine the best of the individual thoughts of the different commissioners is for each of the committees appointed for a particular purpose to hold meetings. Meetings should be called and discussions held even though nothing appears on the agenda, as it is only by study and exchange of ideas that worthwhile matters can be placed on the agenda for consideration. Members of the committees should read the proceedings of the past several conventions.

Health policies containing house confinement clauses, or bed confinement clauses should contain a definition of the company's interpretation of the clause, he said. In actual practice there is a great difference between the interpretation of such clauses by different companies, most of them being very lib-



THEY SHOULD HAVE MORE Coverage

Perhaps they've grown since the blanket was bought. And perhaps many of your assureds don't realize how COSTS have grown since their insurance was bought. Homes and home furnishings cost half again as much today as they did ten years ago . . . so that coverage which originally was ample is unsafely inadequate now. It's a broad opportunity for you to get additional production. Talk with our field man about it.

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Property Facts Are Basic

The starting point for sound solution of problems of Insurance, Income Taxation, Reconversion, Accounting and Finance is an accurate knowledge and record of Property Facts.

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eral in their interpretation and actually applying only the house confinement clause or bed confinement clause in cases where malingering or doubtful disability exists. Some companies never attempt to apply these clauses literally but he said that unfortunately, some few companies stick to the letter of the exclusion. He suggested the recommendation of a uniform act pertaining to hospital and medical service insurance.

Mr. McCormack expressed a hope for a greater decentralization of the insurance business, saying that it will be a fortunate day for America when the insurance industry is distributed among all states and not concentrated in just a few.

The western and southern states have been challenging the leadership of the east, he said, and this promises a healthier condition and greater diversification in not only the location of the companies but in the intelligent thought of the executives. It is not healthy, he said, that only the eastern viewpoint should be maintained but there should be an American viewpoint that recognizes the welfare of the people in every state.

Referring to the talk which he made at the last meeting of the American Life Convention, Mr. McCormack discussed briefly his recommendations that qualification standards be set for all insurance department personnel, including the commissioners.

Oklahoma Agents Elect R. L. Russell President

(CONTINUED FROM PAGE 10)

ing that training is not feasible under other conditions.

The resolution further provides that copy of such protest be furnished to the National Association of Insurance Agents with the request that it take immediate steps to assist in having this ruling withdrawn, insofar as it may apply to local agents. It further provides that a copy of the protest be supplied to each member of the Oklahoma delegation in congress.

There was a banquet and informal dance with Harry T. Moran as toastmaster.

McFall on State Supervision

J. M. McFall, Baltimore, vice-president and general counsel U. S. F. & G., in his talk on "The Supreme Court and State Supervision of Insurance," said federal regulation of insurance can be stopped only by enactment of necessary state laws prior to 1948. Some proposed legislation will encounter selfish opposition and it is up to insurance men in the field to meet the challenge and get the proposed laws through their own states. "To you," he said, "we entrust the future of state supervision, perhaps the future of insurance."

Reviewing development of the commerce clause in the federal constitution, the S. E. U. A. decision and the McCarran-Ferguson law, he pointed out that Congress apparently has the power to regulate insurance in any way it wishes, including the control of purely intrastate insurance if it affects interstate commerce, the only present legal provision being that federal laws shall not apply to insurance to the extent that the state regulates insurance.

Last Opportunity for Legislation

He said during the next 10 months the legislatures of 44 states will meet and this will be the last opportunity for state legislation before the expiration of the moratorium. In 1945, casualty and surety rating laws were enacted in 10 states, but one of these laws was repealed, and eight fire rate laws were enacted in the same year. In 1946, Kentucky enacted fire and casualty rating laws and Mississippi a casualty rate law. The topics which must be covered by state laws include rate making and other concerted activities, authorization of payment of commissions to brokers where brokers are recognized, proscribing unfair practices and prohibition of unfair discrimination.

The great argument for state super-

vision, Mr. McFall said, is the growth of insurance and its service to the public in the past. He said life insurance in force in American companies increased from \$8,526 million in 1900 to \$154.6 billion in 1945; and fire insurance premiums increased from a little more than \$14 million to almost \$587 million in the same period, although the cost to the public for the coverage decreased from \$1.15 per \$100 to 67 cents.

Commissioner Jess G. Read spoke on legislation, including that made necessary by PL 15.

Definition Subcommittee of N.A.I.C. Reports Progress

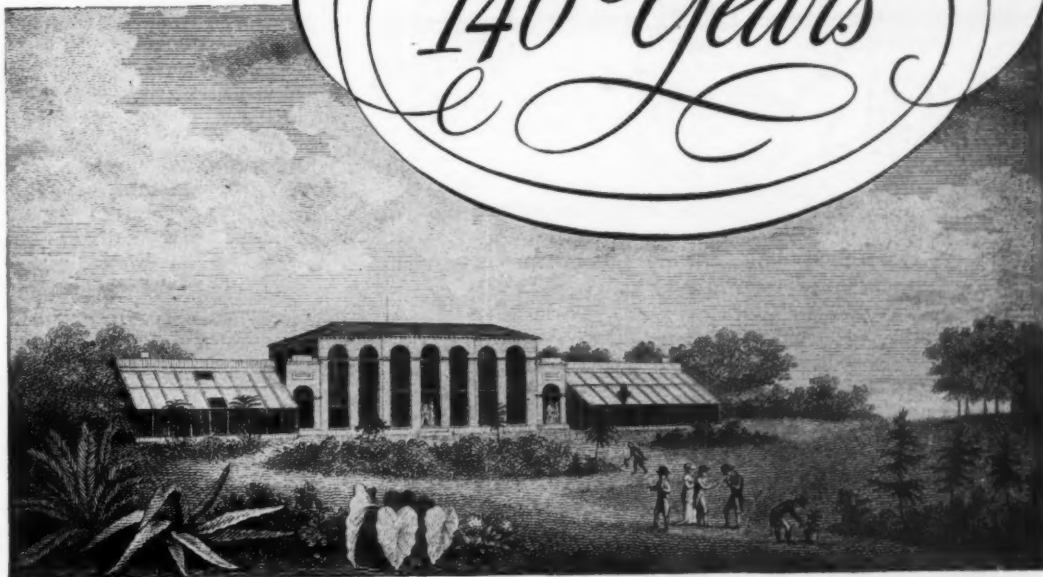
PORTLAND, ORE.—The N. A. I. C. fire-marine committee Tuesday morning received a progress report from the subcommittee on definition and interpretation headed by Allyn of Connecticut.

Since last December, stock and mutual company committees have met and are at work in the preparation of a plan to create standard definitions of fire, marine and casualty insurance, the

committee stated. Progress has been made but mainly because a large part of the mutual committee has been occupied in the work of the all-industry committee, no final plan has been presented.

The committee has reason to be hopeful that further progress in the preparation of the plan for standard definitions will be made shortly.

Jackson of Missouri complimented the subcommittee on its work of perfecting a new fire insurance classification system. Carroll of Rhode Island presided.



SITE OF RADIO CITY, FIFTH AVENUE AND 51ST STREET, NEW YORK, 1806
View of the Botanic Garden in year of the founding of the Eagle Fire Company

The changing years so clearly reflected in American life by the engravings of yesterday also etch their lines on the enterprises of men. The Eagle Fire Company of New York began the business of insurance at 59 Wall Street, New York City in May, 1806. Then and now it is one of America's respected financial corporations, tested by time and by worthy competition.

The history of those 140 years is another

stalwart chapter in the powerful history of a great nation and an honored insurance institution dedicated to public service.

In days that witness coast to coast flights between breakfast and luncheon, there is something more than idle sentiment in the bonds that link institutions to the anchorage of olden days. Old traditions blending into progressive changes add solidarity to financial companies.

EAGLE FIRE
Company of New York
Established 1806

75 Maiden Lane, New York 7, N. Y.

Oldest New York Insurance Company

Ask More Time on Blanks Changes

(CONTINUED FROM PAGE 5)

mittee on blanks would meet in New York on April 27. This allows only a few weeks for the industry organizations to reproduce the agenda for mail redistribution to their members. The time remaining in which to secure and reconcile the views of their memberships is too short to permit of an adequate presentation to the blanks committee at its April meeting.

Greater Lapse of Time

"There should be a greater lapse of time between the date on which the agenda is received by the various organizations and the date of the meeting of the committee on blanks. Likewise, there should be a reasonable lapse

of time between the completion of the report of the blanks committee and the date your committee considers it to allow for adequate distribution and study by the industry and the commissioners.

"We respectfully suggest: that changes in the uniform annual statement blank, excepting in cases of real emergency, should not be effective as far as the blank of the current year in which the changes are considered is concerned, but should be applicable to the blank of the following year.

Would Not Be Retroactive

"This would remove the retroactive application of the changes and would permit more time to give wide distribution to the agenda and secure the advice and suggestions of those vitally interested and concerned with this important matter.

"That the report of the committee on blanks should be first considered by a subcommittee of the executive committee charged with the responsibility

of reporting its recommendations to the executive committee or to the association.

"This suggestion is predicated on the fact that the committee on blanks as now constituted is made up of technicians who sometimes may view problems differently from those charged with the determination of questions of policy. Certainly in some instances both viewpoints seem essential and could be best obtained through this subcommittee suggestion; furthermore, the subcommittee could hold additional hearings on certain items when in its judgment this course seemed desirable.

"The fact that we make these suggestions is in no way to be taken as even an implied criticism of the committee on blanks or its membership. The committee is composed of capable men who apply themselves intelligently and efficiently to the job at hand; however, it seems to us they are under a too restricted time limitation and are doing the best that could possibly be done under the circumstances. The difficulty is in the date on which the recommendations are to become effective—a deadline which allows far more time to the printer for making the typographical changes in the blank than is allowed to the industry and to the committee for the consideration of what goes into the blank.

"The undersigned are also of the opinion that further time should be allowed for consideration of the 1946 report of the committee on blanks which is now before you. This report contains a number of important and far-reaching changes which have not been fully considered by all segments of the industry, and which perhaps have not been released in time to allow for advance study by the insurance commissioners themselves.

"It seems to us that additional time could be allowed and still make possible the incorporation of the changes in the current year's blank. It is not at all unlikely that your committee will be having another meeting before the midwinter meeting to consider further developments in connection with the work of certain special committees of the N. A. I. C. which are studying questions of state legislative proposals to implement public law 15."

The petition was brought up at the executive committee meeting Sunday afternoon.

Dineen of New York said the petitioners are subject to the same criticism that they level at the commissioners in that the petition had not been submitted early so that it could be more leisurely considered.

In answer to a question from Dineen as to the number of years the present practice has been followed, Walter Robinson of Ohio, chairman of the blanks committee, said it had been in vogue 35 years.

Dineen asked whether the timing had ever been criticized before. Gough of New Jersey declared the criticism had been frequently advanced in the past.

Garrison of California suggested that the industry people and blanks committee members confer during the convention.

Dineen declared the petition is a double barreled document. On the one hand it criticises the procedural aspects and on the other hand it criticises the substance of the current report of the blanks committee.

Fire Losses Up 11.5% in N. Y.

An increase of 11.5% in fire losses in the territory of the New York Board of Fire Underwriters has been reported, the amount for May being \$1,375,195 as against \$648,608 that month last year. However, for the first five months losses are \$4,951,703, a decrease of 16.4% from \$5,928,065 of last year.

Dineen Addresses "Ad" Men

Superintendent Dineen of New York addressed a luncheon meeting of the Oregon Advertising Club in Portland Wednesday.

Honor Cornell, in Business 50 Years

Farm and hail insurance executives in the central western territory will attend

a complimentary dinner June 21 to Frank H. Cornell, head of the farm department of Home, who has been in the business for 50 years. The affair will be held at the Union League Club, Chicago. C. E. Parks of National Fire will be master of ceremonies. Mr. Cornell has served as president of the Farm Underwriters Association and also the Western Hail & Adjustment Association. R. W. Carter of Aetna Fire is chairman of the arrangements committee, his associates being J. B. Cullison of the Rain & Hail Insurance Bureau and B. R. Walinder, American Fore.



F. H. Cornell

Lumbermen's of Mansfield Holds Agency Meeting

MANSFIELD, O. — Lumbermen's Mutual held the second annual meeting

of its agents advisory council here this week, with 24 agent councillors and the company's field men and general agents attending. E. C. Frampton, vice-president and agency supervisor, was in charge of the two-day meeting.

The program opened Monday morning with an exposition of the progress of a daily report through the office, arranged by F. A. Greenwood, local agency underwriter, assisted by A. D. Thomas, statistician, and W. G. Schultz, inspector. Vice-president S. F. Coffin discussed current underwriting problems and C. E. Nail, vice-president and assistant general manager, led a discussion on commission and dividend schedules. In the afternoon J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletin" and associate editor THE NATIONAL UNDERWRITER, discussed recent changes in insurance and reviewed the U. S. Supreme Court decisions of last week and H. F. Russell, New York, general manager Improved Risk Mutuals, described the operations of his organization.

Keating Welcomes Group

Tuesday morning there was an outdoor breakfast on the home office grounds, followed by a discussion of the five year annual payment term policy, suggestions from the agents and committee reports. There was a dinner dance Monday evening. President C. H. Keating welcomed the group and attended all the functions and E. S. Nail, board chairman, attended the dinner. In addition to the two outside speakers, P. F. Baldwin, Washington, executive secretary National Association Insurance Agents, was a guest at the meeting.

Armour Loss Set at \$250,000

A fire which destroyed the Armour & Co. creamery and poultry plant at Leon, Ia., June 7, is reported to have resulted in a loss of \$250,000, including processing and cooling equipment, three freight cars of eggs, one carload of 30,000 dressed chickens and 3,000 live chickens.

The fire was said to have started in the egg dehydration plant. Officials said it is largely covered by insurance.



C. H. Keating



How Much Insurance Should Your Clients Carry on Household and Personal Property?

A new "Springfield Group" sales leaflet will help you to answer that question easily and quickly. Get your supply, and use them now in bringing the insurance protection of your clients into line with current high costs.



THE SPRINGFIELD GROUP
W. B. CRUTTENDEN, Chairman of the Boards
WM. A. HEBERT, President

SPRINGFIELD FIRE & MARINE INSURANCE COMPANY	SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
SENTINEL FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.

OF FIRE INSURANCE COMPANIES

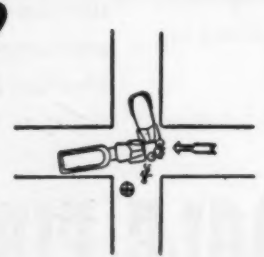
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Insurance executives in
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F. H. Cornell

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O. — Lumbermen's
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C. H. Keating

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Condition True Depreciation Factor

Although depreciation is the most important single factor in determination of insurable values, its determination is influenced by whim, hearsay, traditional opinion, or anything else rather than an earnest analytical effort to pin it down logically and consistently, Robert W. Stevens, Marshall & Stevens Valuation Service, Chicago, told the South Carolina Association of Insurance Agents last week.

Mr. Stevens said that adjusters will go to all the pains of counting bricks, doorknobs and window blinds of a building and then pick out of the air a percentage by which their value is lessened. This seems inconsistent with the pages of painstakingly priced items reduced on a single percentage basis. He suggested that perhaps the fire business should throw depreciation out of the window and insure on new replacement cost alone. That at least, he said, would be basic indemnity on an element of form and substance.

Mentioning another side light of the depreciation problem, he said that if fuller occupancy, more income and better profits have any part in the matter then in many cases depreciation should be lessened. If a building were vacant five years ago and at that time depreciated 50%, and is now fully rented at a good income it is worth more to its owner and should be insured against proportionately greater loss. Mr. Stevens said it is reasonable to assume that it should now be depreciated by only 20%.

Condition True Estimate

Condition is the true estimate of insurance depreciation, Mr. Stevens commented, and age is often of no importance whatsoever.

Mr. Stevens made a forecast of future building costs and predicted that they would rise about 10% through the middle of 1947 and after that assume a leveling off of about 25% by 1951. From then on he predicted costs would remain about 15% above the 1941 average.

By 1951 most of the GI money will be gone and much of the war savings, he said. Those who buy homes at the present market will have gone through the wringer and most money available for present housing will be done the drain, he commented. He stated that foreclosures and liquidations will be numerous and there is a slight possibility of another depression similar to that after the last war that could carry such costs to about the level of 1934.

Bailey Buys Potter Agency

The Wellington Potter agency at Rochester, N. Y., has been purchased by A. L. Bailey of that city and will be continued as "Bailey-Potter". Mr. Potter died of a heart attack in Kansas City while on a speaking trip.

Mr. Bailey was with Travelers Fire for 18 years as special agent and many years ago to become associated with the Boller-Clark agency in Rochester. He will sever his connection with that agency and conduct the Bailey-Potter office in its present location, representing the Travelers group, as did Mr. Potter.

Wyckoff With Mass. Bonding

NEW YORK—Theodore Wyckoff has been named underwriter of all lines for Massachusetts Bonding at Newark. He previously was with Commercial Casualty for 10 years.

Va. Auto Deaths Up 40%

Increased driving speed, plenty of gasoline and more cars on the road resulted in a 40% rise in the death rate from motor vehicle accidents the first four months of this year over the same period last year, the Virginia bureau of vital statistics reports.

N. Y. C. Officers Hold Till After Grand Nest Meeting

The New York City Blue Goose postponed election of new officers until the September meeting so that present officers might remain in office until after the grand nest meeting Aug. 20-22. The election was scheduled for the annual outing last week. At the business session George H. Martin of New York Underwriters and A. W. Barthelme of North British were elected delegates to the grand nest. Robert F. Moore, state agent of the Boston in Newark, and chairman of the host committee, outlined plans for entertainment at the grand nest meeting. Fred Bross of the Yorkshire group awarded the prizes. Phil H. Winchester of Fire Companies Adjustment Bureau, most loyal gander, won the top door prize but refused it because it looked like collusion. Instead it went to Carl Schaedel, a Newark builder. H. D. Sutton of the Loyalty group won the chief kicker prize. Gilbert A. Dietrich, National Liberty, had low gross in the golf game.

A. J. McDavid Secretary of New York Underwriters

NEW YORK—A. J. McDavid, who has been state agent in North Carolina of New York Underwriters, will on July 1 go to the home office as secretary. He has been with the company since 1926, starting as state agent in South Carolina and later serving in Virginia before going to North Carolina.

Two Oppose Hobbs in Kan.

Frank Sullivan, Lawrence insurance man and veteran of both world wars, has announced his candidacy for the Republican nomination for Kansas insurance commissioner. He is a former member of the state board of administration and is a past state commander of the American Legion. He was in school work before entering insurance at Lawrence 17 years ago. He is receiving his discharge from the army this month following two years in the European theater.

Recently James F. Gardner, who has represented John Hancock and Northwestern National Life at Arkansas City for 13 years, announced his candidacy on the same ticket.

Liberty Mutual Asks Certiorari

Liberty Mutual and Contractors Pacific Naval Air Bases, an association, have petitioned the Supreme Court for writ of certiorari to the ninth circuit court in their suit against Warren H. Pillsbury, deputy commissioner U. S. Employees' Compensation Commission for the 13th compensation district, and Walter L. Wood, docketed as No. 1272.

The circuit court dismissed a libel for mandatory injunction against Pillsbury, filed under the longshoremen's & harborworkers' act. The government had moved such dismissal on the ground that the libel did not state a cause of action, did not entitle libelants to relief, court dismissed and the circuit court affirmed that action on appeal.

Confer In Chicago Friday

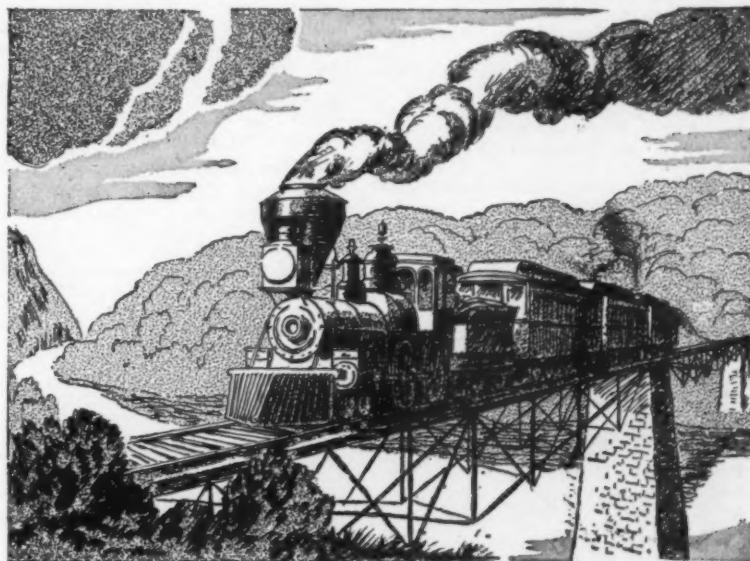
The Subscribers Actuarial Committee and the conference committee of agents representing the midwest territory will meet June 14 at 10 a. m. at the Union League Club, Chicago. The agents' committee is meeting at 9 a. m. at the same location preceding this meeting.

Legislative Expense Schedule Fails to Ignite Fireworks

PORTLAND, ORE.—A rumored explosion didn't come off Tuesday morning at a meeting of the N. A. I. C. blanks committee. The room was packed due to the report that the mutual fire and casualty interests were prepared to level an attack on the proposed schedule M covering legislative expenditures. Chairman Walter Robinson announced that he understood the industry wanted to be heard on this, but no one spoke up. And the sensation seekers had to look elsewhere for a battle.

This schedule was inserted at the insistence of Dineen of New York as a means of preventing another Missouri scandal. However, the industry people resent it. They say it carries the implication that there is something rotten in Denmark. Also they say they will be compelled to enter as legislative expense the cost of interviewing state officials on such matters as rate filings, deviations, etc., but that this will be thought of falsely by the public as lobbying costs. They also contend schedule M would not have revealed the Missouri payments. Apparently, however, the industry people decided against making a public issue of the matter.

American Surety has established a casualty claim office at White Plains, N. Y., with W. G. Winters in charge.



EARLY RAILROADS

In the middle 1800's the completion of each new locomotive created real excitement and they were given striking names like "Peppersauce", "Jupiter", and "Pride of The Prairie". Railroad travel seemed the height of luxury compared with stagecoach accommodations, and railroad freight service was badly needed by our young industries. As coal replaced wood for fuel, the different lines competed in offering comforts and shipping facilities. The great demand for a railroad line reaching across the continent was finally satisfied in May 1869 when Eastern and Western lines met at Promontory

Point, Utah. Railroad growth was especially beneficial to Ohio, a manufacturing state with well distributed mineral wealth.

The olden days when cautious travelers bought tourist baggage policies for a specific trip are a far cry from today when so many people carry personal property floaters and have complete protection wherever they are... at home or abroad. Appleton and Cox, Inc., is well-known for its courteous and prompt settlement of losses under these contracts anywhere in the world.

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NEWS OF FIELD MEN

E. A. Smith Heads Iowa Blue Goose

DES MOINES—E. Arnold Smith, state agent of Security of Connecticut, was advanced to most loyal gander of the Iowa Blue Goose at the annual meeting here. He succeeds N. W. McBeath, Great American.

H. G. Zimmerman, L. E. Ellis & Co., was named supervisor; A. E. Holt, Aetna Fire, custodian; F. C. Meister, Travelers Fire, guardian, and Erwin Wiecek, Security of Ia., keeper. R. P. Osier, Norwich Union, was reelected welder.

Grand Nest Delegates

Messrs. Smith and McBeath were named delegates to the grand nest with W. K. Hankinson, National Fire, as alternate.

J. Ray Hull of Indianapolis, grand keeper, installed the new officers in their posts. He also spoke at the banquet, with 90 in attendance. It was announced that the Iowa pond now has 171 members. A class of 12 was initiated with Lee Taylor, Commercial Union, in charge.

Russell Nelson, Dubuque Fire & Marine, was elected president of the Bureau field club succeeding Erwin Wiecek. Morris Koon of the Loyalty group was named secretary.

Field Groups Aid Blood Bank

The Mountain Field Club and Colorado Blue Goose, jointly, are sponsoring an "account" at the Belle Bonfils Memorial blood bank, Denver. Members of both organizations are contributing to the bank at regular intervals. W. L. Braerton, president of Braerton, Simon-ton, Brown, is chairman of the committee in charge.

Ohio Field Men Elect Officers

The two Ohio field clubs, the Fire Prevention Association of Ohio and Ohio Blue Goose held their annual meetings and outings at Lake Wawasee, Indiana.

The preventionists elected C. D. Lamb, Automobile, president; P. L. Johnson, American, chairman; E. C. Knoop, Jr., Home, vice-president, and W. T. Cuddy, Buckeye Union, secretary-treasurer, all of Columbus. Plans were announced for town inspections at Lebanon in September and Sidney in October.

The Ohio Association of Fire Underwriters elected D. D. Montgomery, Ohio Farmers, as president; R. D. Hulsman, Security of Iowa, vice-president, and Carl Rockefeller, Loyalty group, secretary-treasurer. R. S. Danforth, Chicago, vice-president Millers National, discussed the public relations program sponsored by the National Board.

New Blue Goose Officers

The Blue Goose elected Frank J. Weber, Firemen's, Cleveland, most loyal gander; J. D. Lecky, Jr., Ohio Insurance Co., Hamilton, supervisor; Rolf Rosenlund, Home, Columbus, custodian; D. D. Montgomery, Ohio Farmers, Columbus, guardian; C. F. Eagle, American, Cincinnati, keeper; H. F. Alber-shardt, Western Adjustment, Columbus, welder. The retiring most loyal gander, C. N. Mullican, Firemen's, Cincinnati, and Mr. Weber were named delegates to the grand nest meeting. It was decided also to send the three most loyal ganders who served in the war period and could not attend meetings since grand nest gatherings were deferred. They are A. S. Snow, Camden, Columbus;

W. W. Waters, Ohio Farmers, Columbus, and J. E. Gallagher, Detroit, formerly with Ohio Inspection Bureau. The pond plans to hold a memorial banquet at Columbus in October honoring members who served in the war. A memorial roster also will be published.

Zimmerman Heads Club

The Ohio Fire Underwriters Association elected R. E. Zimmerman, Commercial Union, president; C. T. Thalgott, Camden, vice-president, and reelected for his 15th year H. R. Underwood, Providence Washington, as secretary-treasurer. Directors named are: R. W. Tyler, America Fore; S. E. Slupe, Home, and G. F. Graff, Hanover. Proposed changes in the constitution and by-laws along the lines of those adopted recently by the Western Underwriters Association were received and will be considered later.

Visitors included John Rygel, vice-president of Hanover; J. R. Cashel, western manager Providence Washington; Emil Hepp, assistant secretary Springfield, and Homer Burlingame, Western Adjustment, all of Chicago, and William Ratterman, National Union, Pittsburgh.

National Names Two State Agents

Hardie Miller has been appointed Oklahoma state agent for National Fire. He succeeds Hall Warren, who has been transferred to Los Angeles as regional assistant manager of the Pacific division. Mr. Miller's headquarters will be at Oklahoma City.

A native of Oklahoma and widely known in the state, Mr. Miller had much experience there and in the Rocky Mountain states before entering service in 1942. He has just completed an intensive home office refresher course.

W. G. Sours, Jr., has been named state agent in Mississippi for National Fire, succeeding E. W. Charlton, Jr., who is taking over in Louisiana as state agent. Recently returned from service, Mr. Sours will locate in Jackson. Before entering service he was at National Fire's home office and later in the field in Louisiana and Mississippi.

White Succeeds Woods as Sun Tennessee State Agent

Russell H. White has been appointed Tennessee state agent for Sun succeeding Frank E. Woods. The appointment becomes effective June 30.

Mr. Woods, after 25 years in his home state of Tennessee, will go to Texas where he will look after business interests of his own. It is understood that the principal reason for his resignation is his need for change of climate for health reasons.

Mr. White, who recently returned from Texas, will continue to operate from the Nashville office. He has had much experience in the company's Chicago office and in the field in Oklahoma, Kansas and Arkansas.

St. Paul F. & M. Names Veterans to Field Posts

St. Paul F. & M. has made several field appointments, most of them involving service men. W. J. Homa, navy dischargee, has been named special agent to assist State Agent J. B. Chapman in Alabama, with headquarters at Birmingham. Mr. Homa has spent practically his entire insurance career with St. Paul. He served as a lieutenant in the navy.

W. C. Oakes, Jr., has been named special agent to assist State Agent A. C. Brunsvold in North Dakota, with headquarters at Fargo. He has been with St. Paul eight years. James C. Jordan has been named special agent in Tennessee to assist State Agent H. R. Trickey at Nashville. He was trained by St. Paul and spent three years in the army air corps in combat duty.

J. E. Miller, who has been state agent for Colorado and Wyoming, takes up new field duties in Southern California July 1. He is succeeded in the Colorado-Wyoming field by M. A. Carleton, who was at the home office before the war.

John H. Christensen, also an army veteran, becomes assistant to State Agent J. H. Lewis in southern Minnesota. He has been in the home office several years and will have headquarters there. John F. Driscoll becomes special agent to assist State Agent Frank Sather in northeastern Minnesota. He is a product of the home office.

Depreciation, Demolition Cover Los Angeles Topic

LOS ANGELES—"Depreciation and Demolition Insurance" was reviewed in a panel discussion program at a meeting of the Southern California Fire Underwriters Association, with Marshall Rankin, special agent of Aetna Fire, as moderator, and Marshall W. Paxton, Edward Brown & Sons; Al Gilbert and William Lindsey, Pacific Board, and Ed Lilly, F.C.A.B., on the panel.

Mr. Rankin pointed out that the endorsement forms for the coverages do not require the replacement of buildings to be the same, but the other types of buildings may be erected as replacement. He said he would write depreciation insurance in moderation.

Mr. Paxton compared the 80% and 100% coinsurance clauses as they are used in the mid-west and on the coast and said he was not sure but that the plan in the east may be the better.

Mr. Gilbert declared that depreciation insurance is a type of insurance that should be approached with caution, but that it is good insurance. He said that it is a rebuilding type and that the 100% coinsurance clause basically is sound.

Mr. Paxton said that formerly this coverage could be secured only in London. He believes there is a real demand for it and that domestic companies, seeing this, wanted some of the business and started writing it.

Mr. Rankin cited the repair and replacement coverage of the factory mutuals, and said the stock companies must meet this competition.

Mr. Lilly in response to a question said depreciation is paid after the replacement is made; that the owner can repair any way he wants, but payment is made only on "cost." Mr. Rankin declared that depreciation insurance is subject to demolition coverage.

The consensus was that agents should sell depreciation insurance only on buildings that are comparatively new.

Hines' Territory Incorrectly Stated

In reporting the appointment of L. G. Hines as state agent for Illinois of Ohio Farmers in last week's issue it was indicated that he will handle the entire state. Actually, he will have the territory formerly supervised by State Agent W. C. Teuter, principally central Illinois. State Agent Roy V. Haser will continue to handle northern Illinois with headquarters in Aurora.

American's Changes in South

American of Newark has made two changes in the southern field.

George W. Harris has been appointed special agent for western North Carolina, succeeding R. C. Bennett, who has been transferred to Alabama.

Joseph R. Mangan has been appointed special agent in Georgia, assisting State Agent Eugene H. Brooks.

Longley in So. Ill. Post

Security of New Haven has appointed Kenneth A. Longley special agent for southern Illinois. He will office assist State Agent William H. Miller, with headquarters in Decatur.

Mr. Longley is a native of Illinois and joined Security Companies in 1941 as an underwriter in the Chicago office. In 1942 he entered the army air forces.

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FIRE
TAKES ONE AMERICAN LIFE EVERY HOUR

Here is Safe Dependable Protection

S-O-S Fire Guard 1 Qt.

It Is Your Guide to Dependable Fire

Protection for Car, Truck, Boat, Plane, Home, or Factory

Wherever you see this display, you will find General Detroit's dependable approved fire extinguishers. Made by an organization with more than 40 years' experience in producing fire-fighting equipment. General Detroit extinguishers represent the ultimate in fire protection. Countless lives, as well as millions of dol-

lars worth of property, are lost through fire every year. Your car, truck, boat, plane, house, or factory could be next. Investigate the low cost of General Fire Extinguishers. A General Detroit extinguisher at hand is a guarantee of dependable, efficient fire protection. Get yours now before it's too late.

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Dickey Phila. Special Agent

Robert W. Dickey has been appointed special agent in Philadelphia for Manufacturers Fire. He has a broad experience and background of service in Philadelphia. Headquarters will be in the new office of the metropolitan department at 401 Walnut street.

COMPANIES

MacKay Inter-Ocean Re Vice-president

Donald R. MacKay, assistant secretary in the eastern department of Inter-Ocean Reinsurance, has been elected vice-president to succeed Merl L. Rouse, who resigned as vice-president to join American Reserve. Mr. Rouse had been with Inter-Ocean since 1928, and in the eastern department since 1934.

Mr. MacKay commenced his service



DONALD R. MAC KAY

with Inter-Ocean in the home office following his graduation from college and was transferred to the eastern department in 1938. As a first lieutenant in the reserve corps he was called to active army duty in December, 1940. After service with the air forces in various United States bases and in China he was released from active duty as a lieutenant-colonel last January and has

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CHICAGO 40

been assisting Mr. Rouse in the eastern department since that time.

Royal Premiums for 1945 Record

Total 1945 premiums for Royal stood at £17,584,731, a record figure and an increase of £359,813 over 1944, Chairman P. R. England, announced at the annual meeting in Liverpool. Underwriting profit was £1,563,237 as compared with £1,607,287 the previous year.

Net fire premiums were £7,841,426 with an underwriting profit of £509,416 or 6.5%. Mr. England commented upon the fact that these satisfactory results were obtained in a year when fire loss was higher than at any time since 1920. He said that fire premiums in the United States were continuing to expand and expense ratios continued to be reduced. Losses were higher and underwriting resulted in relatively small loss, he said.

Casualty and miscellaneous premiums reached a total of £7,752,880 with an underwriting profit of £360,102 or 4.64%. Mr. England explained that the less satisfactory experience in the U. S. resulted from the transition from war to peace and substantial shrinkage in workmen's compensation because of closing down war projects; also because of the sharp rise in automobile claims consequent upon post-war expansion of motoring and the fact that increased rates have not yet had time to be felt.

Marine premiums for 1945 totaled £1,990,425 as against £2,434,441 for 1944. Mr. England explained that the decrease was due to the reduction of combined surcharges and progressive decline in war risk rates. After transferring £518,000 to suspense accounts, some 21% of net premium, to make provision for third and subsequent years' claims, the 1944 marine account closed with a record profit of £693,719 and a substantial contribution by U. S. business.

Mr. England characterized Royal as entering its second century with "its roots firmly embedded in the past, its strength virile in the present and its faith strong in the future."

Gifford to National Fire Home Office

J. K. Gifford, state agent of National Fire in western Pennsylvania, has been promoted to general agent at the home office in Hartford. A graduate of Rutgers University, Mr. Gifford was with National Fire in the home office and special agent in New York suburban territory before going into the Pennsylvania field.

F. C. Carroll, who was special agent in western Pennsylvania before entering the army, has been discharged from the service as a captain and is replacing Mr. Gifford.

Founders F. & M. Oversubscribed

LOS ANGELES—Offering of 100,000 shares of stock of Founders Fire & Marine to residents and corporations of California exclusively has been substantially over-subscribed, according to Preston Hotchkis, president, and Victor Rossetti, chairman.

The 100,000 shares were subscribed at \$40 per share, without commission or sales expense, to net the company \$4 million. This represents \$1 million capital and \$3 million paid-in surplus.

Home office will be at 523 West Sixth street, Los Angeles, and branch and service offices will be established in other communities.

C. Clarence Neslen, retired army chaplain with the rank of lieutenant colonel and former Utah commissioner, has filed for Salt Lake county commissioner as a Democrat. He has served as city commissioner, mayor of Salt Lake City, in both houses of the Utah legislature and as president of the National Association of Insurance Commissioners.

Georgia Commissioner Not to Seek Reelection

ATLANTA—Homer C. Parker has withdrawn from the campaign for reelection as comptroller general and ex-officio insurance commissioner of Georgia, due to his health.

This leaves two candidates, Zack D. Cravey, former director of natural resources, Georgia, and E. B. Dykes, former Georgia legislator, who was a candidate against Mr. Park four years ago.

Kentucky Rules 80% Charge for Five-Year Term Plan

LOUISVILLE—Insurance Director H. B. Wilson has ruled that companies writing five-year term insurance under the annual renewal plan in Kentucky, must charge 80% of the annual premium, rather than 75%, effective July 1.

In a letter to the companies writing under this plan and also to the Kentucky Inspection Bureau, Mr. Wilson said that 95% of the companies favor the 80% charge and agree that it is to the best interests of agents as well as companies. The companies involved are American States Fire, Buckeye Union Fire, Buffalo, Dubuque F. & M., Federal, First National, General of Seattle, North America group, Pacific National, St. Louis F. & M., State Farm Fire and Monarch.

Fears Damage in Peoria from Atomic Bomb Tests

A local agent in Peoria, Ill., has one for the book. One of his assured recently purchased earthquake insurance because he is afraid his house in Peoria might be damaged by disturbances set up by the atomic bomb tests in the Pacific.

Attack Taxless Cooperatives

WASHINGTON—Since its report on cooperatives, the House small business committee has received several communications from the insurance industry asserting that cooperatives should not be exempt from taxation. That report criticized the retail hardware industry for opposing the cooperative movement, while at the same time operating one of the largest cooperative insurance agencies.

Set Up New Adjustment Service

Underwriters Reports has established a new service to be known as Underwriters Adjustment Service. It will service fire companies, their representatives and agents on all types of fire, inland marine and automobile losses in Massachusetts and Rhode Island. The new service will be under the direction of Joseph V. Klocker, chief adjuster, who formerly was with Boston.

Packaged Plan—Packaged Premium—Packaged Profits



A Life Package THAT WILL EVEN SELL BY TELEPHONE

Nothing equals it—for clientele appeal and quick, easy "closing"! This "Paymaster General" is such an unusual, full-benefit "Life Package" that it actually can be sold by telephone.

As its name denotes, it's a reliable "paymaster," for both the family and the insured. Packaged in a clean-cut, convincing, but simple-to-understand form, it's easy to present. Meets the family demands of a big percentage of prospects. And it's only one of a series of unique Columbus Mutual Packages designed to fit every purpose or purse. Write for sample portfolio and see how "package" selling can stimulate your income.



BENEFITS THIS "Paymaster" PACKAGE OFFERS

For Policyholder

A profit on his savings plus a choice of income plans during his later years.

For Family

A cash payment plus 3 years of income, plus special Christmas checks.

D. E. Ball, President

The COLUMBUS MUTUAL LIFE INSURANCE COMPANY
Columbus 16, Ohio

Testimony Piles Up in D. C. Rate Case

(CONTINUED FROM PAGE 3)

dent's questionnaire to the companies, preceding the order, because it asked for data showing five years' premiums, but for losses for only one year. Mr. Kaplan said no evidence was introduced to support them, and there was no evidence of waste. When he was attacking the superintendent for analyzing the data for 73 companies only, including stock, mutuals and reciprocals, Judge Holtzoff inquired whether the superintendent selected companies with low expense ratio and used them as a yardstick.

Mr. Kaplan answered in the affirmative. He complained that mutuals should not have been lumped in with stock, as the mutual expense ratio is lower.

The judge asked a series of questions to bring out the companies' position that Superintendent Jordan should have taken the average expense ratio. "Weighted according to the amount of business?" asked the court; to which Mr. Kaplan agreed.

Insured's Money

At another point the court remarked that it seemed that interest is on the insured's money and suggested they should get the benefit, adding that he did not think investment income should be taken into consideration.

Again, the court asked how agents' commissions are fixed, and Mr. Kaplan replied it was by competition, custom, and other factors, but not by statute.

There was discussion of underwriting profits and reserves, during which Judge Holtzoff brought out reserve requirements on different classes. Kaplan contended the superintendent should not have averaged the earned premiums on different classes, some of which are not covered by the rating law.

The judge remarked the superintendent would have the right to "take any

evidence, but your contention is that it is not fair to take the experience of companies in business over which he has no jurisdiction."

The judge ruled that there is no question of a waiver of rights by or estoppel of the companies. "The real question," he said, "is whether there should have been a hearing before promulgation of the order. It is a constitutional question, as well as one of statutory construction, whether proper procedure was followed."

Lloyd Harrison, speaking for the District, asserted the companies complaining had had access to the reports of companies and to all data in the superintendent's office. If the companies have expense ratio data for five years preceding the order they should submit it, he suggested. Mr. Kaplan replied the companies did not have access to questionnaires before the order.

The court remarked that the law requires premiums and loss data for five years to be considered in fixing rates, but indicated other items might not be required for that period. The law requires the superintendent to determine a reasonable profit and to consider all factors, he said.

Bastian Testifies

Walter Bastian, rating bureau counsel, testifying the first day for the companies, identified documents and told of various conferences and proposals related to the order. He said the rating bureau declined to submit an expense formula in response to the superintendent's request, but did suggest allowance of five percent profit and three percent conflagration hazard. He said that at one stage an appeal from the order was prepared for submittal to the District commissioners.

Scott Harris, of Froggatt & Co., testified at the afternoon session

concerning expenses and losses. He said the expense ratio of 40 companies was over 47% for 1940-45.

The court remarked if there are substantial differences in reserves required in the case of the different classes, that is important.

Mr. Harris replied there are and gave figures to illustrate the fact. He said it is not proper to commingle earned premium figures for different classes.

On Thursday, Mr. Harris gave testimony as to premiums, losses, earned premiums, expenses, etc. Many of his figures were estimated, he admitted, but derived from data contained in company reports. At one point Judge Holtzoff remarked that a "synthetic figure" for expenses incurred was used. If they are guesses of the companies, it was suggested in behalf of the District, then the superintendent has a right to make the last and "best" guess.

Counsel appeared to have agreed that in fixing rates only past experience must be counted; not estimates of the future.

One of the chief differences between the two sides appeared to be over earned premiums. Their representatives were said to have taken the same data, but arrived at two different sets of figures on this point. Counsel for the District were understood to have an important exhibit to present of special interest to consumers.

Mr. Skinner, of Skinner & Garrett, local contractors and builders, called by the companies, and examined by Paul Cromelin, testified about increases in price of materials and cost of labor during and since the war. Labor he estimated has gone up as much as 15%. These increased costs, it was indicated, are important in connection with replacement of burned buildings and equipment. As a result of present uncertainties, Skinner said, there is a tendency to put construction work contracts on a cost plus basis.

Fire Marshal Raymond C. Roberts testified fire losses recorded here in January-April, 1946, totaled \$973,465, compared to a total of \$1,462,790 in 1945 and \$849,055 in 1944. He attributed the increase to many factors, including increased population, increased costs of labor and materials, inability to get competitive bidding, etc.

"But if costs go up the amount of insurance increases and premiums go up," suggested Judge Holtzoff.

Mr. Kaplan replied, however, that 1945 premiums were less than those in 1944. "People do not rush in for more insurance because costs go up," he said. "There is no coinsurance on homes."

Mr. Kaplan asked about a National Board survey here and offered its report in evidence. He said Washington has a key rating of second, and there are only three firsts, New York, San Francisco and one other city. When Mr. Kaplan suggested the rating was made by rating bureaus, Mr. Harrison asserted it was made by the companies or their organizations.

Judge Holtzoff had told Mr. Kaplan he would allow considerable leeway in rebuttal, and Kaplan rested his case on Thursday with a statement that he had other witnesses, including Alfred M. Best.

Mr. Harrison moved for judgment in favor of Superintendent Jordan on the ground that the evidence offered in support of company allegations was insufficient, and that some evidence offered to the court had not been submitted to the superintendent and can not be considered by the court unless and until it is first submitted to the superintendent.

Question of Confiscation

On the question of confiscation, Mr. Harrison said, the law requires such a claim must be shown by clear and convincing evidence. "That has not been done," he asserted. "The mere statement of a witness that he took the same data used by the superintendent and reached a different conclusion than the superintendent does not pretend to show invalidation of the order."

Promptly denying motion for judg-

ment, the court said the issue should be fully met. He made the point that if the District's contention was correct that a public hearing was unnecessary before the order, so far as he was advised, there was no record before the superintendent on which he acted. One of the particular questions of law to determine is whether the law permits procedure such as was followed or requires a hearing. If a hearing was unnecessary, he indicated, then the objection to introduction of matter in court not submitted to the superintendent would not stand.

Mr. Gasch, for the District, said he did not have its exhibits at hand and asked continuance of the case until Monday, which was granted.

American Enlarges Ill. Field Staff

American of Newark has rearranged and enlarged its field staff in Illinois.

Harold W. Williams, with offices at Decatur, will handle one of the two central fields and generally supervise the entire state in matters of company policies. He will be assisted by James H. Rupp, Jr., former navy lieutenant, who has just completed an intensive training course.

Kenneth L. Hingst, who had been temporarily located in Missouri, will handle the other central Illinois field with offices in Decatur.

Leo N. Davis will travel Cook county out of the service office there. Frank A. Nelson will supervise southern Illinois, with the St. Louis service office as his headquarters. Martin E. Myers will handle the western part of the state from Davenport; and Robert H. Whitchurch will travel northern Illinois from the Rockford office.

Lawrence E. Knauber, who was formerly located at Decatur, has been transferred to Milwaukee, where the group recently opened a service office for Milwaukee county.

Governing Committee Elects

C. H. Smith, vice-president in charge of the western department of Hartford Fire, has been elected chairman of the governing committee of the Western Underwriters Association. He served in this capacity the past year. S. M. Buck, Great American, was chosen vice-chairman.

WANT ADS

General Insurance Executive, presently manager Ocean and Inland Marine Department in New York City of nationally known brokerage house desires association with progressive agency or brokers by purchase partnership interest or other capacity mutually advantageous. Southern States or Pacific Coast preferred. Address G-37, The National Underwriter, 175 John St., Room 1103, New York 7, N. Y.

WANTED

ASSISTANT FIRE UNDERWRITER

Permanent position with excellent opportunities for experienced man with established Chicago supervising agency. State experience. Replies kept confidential. Write G-36, The National Underwriter, 175 W. Jackson Blvd., Chicago.

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BY AN OLD ESTABLISHED INSURANCE AGENCY

Experienced girl for fire underwriting department, capable of handling all details on endorsement desk including rating, typing and billing. Age no barrier. Salary attractive, 5 day week. Free life insurance. Our employees know of this ad. Address G-39, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

INLAND MARINE FIELD MAN

WANTED

By western department office; experienced field man or experienced underwriter desiring field work; thoroughly familiar with non-ocean marine lines in middle western states. All replies strictly confidential. Address G-42, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Distribution pipelines are filling fast. Be ready for the flood of household appliance business which will soon reach your markets.

Inquire about our special Installment Sales Floater.

Our fieldmen can assist you to write a profitable volume of this form of insurance.

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Two Hotel Fires Cause Heavy Life Loss

(CONTINUED FROM PAGE 3)

LaSalle Hotel

There is an 80% coinsurance clause on the building cover, but no accurate estimate of value is available. It is understood the building cost \$8 million to build in 1908-9, and there is a possibility that the hotel may find itself short of the coinsurance requirement.

The contents loss is estimated at 50%. U.&O. loss will run from 25 to 50%, depending mostly upon when elevator service can be resumed. Elevators appear to be the chief difficulty in putting a number of the higher floors back on an operating basis.

There is a possibility that liability coverage may be insufficient if negligence can be proved and beneficiaries and injured persons try to collect. There is a potential of \$610,000 on death, as Illinois had a \$10,000 wrongful death limit. Then there would be claims of those who were injured and those who lost personal effects.

Also involved in the fire were haberdashery shop, whose contents loss is estimated at \$10,000, a Walgreen drug store, a doctor's office, a dentist's office, and a coffee shop.

Western Adjustment is handling the building and contents.

Reske Heads Probe

Elmer F. Reske, manager of the Cook County Inspection Bureau, is chairman of the committee appointed by Mayor Kelly of Chicago to investigate the cause of the fire and casualties and to determine if it was the result of negligence. The committee will make recommendations for further hotel fire prevention. John Ahern, director of the fire protection and safety engineering department of Illinois Institute of Technology, is also on this committee.

A number of insurance men were in the hotel when the fire occurred and one of them, Fred C. Baker, special agent of the Illinois department, was killed.

William Poorman, vice-president Central Life of Des Moines, was in the lobby and escaped uninjured as did L. D. Kelleher, superintendent of bonds for Equitable Life of Iowa, who was on the 11th floor and walked down a fire escape wearing an overcoat over his pajamas.

Former Illinois Director Ernest Palmer, was in the hotel and stuffed towels around his door to prevent smoke entering his room and was unharmed.

Walter S. Paine, manager of the engineering and inspection division of Aetna group, crawled down the hall and made his way down the fire escapes, receiving slight burns on his hands.

F. W. Maasen, branch secretary at New York for London Assurance, also went down the fire escape, but lost his clothes and baggage.

J. Newlands, Montreal, who is underwriter for America Fore, was in the hotel at the time of the fire, but managed to get out without injury.

Western Insurance Bureau, scheduled to hold its annual meeting in the hotel June 13, changed it to the Union League Club.

Install Queens Officers

Officers of Queens County Association of Local Agents will be installed June 19 at Jamaica, L. I. John A. Lenz is president; George Ward, Ben Hemley and Adolf Schauer, vice-presidents; Stephen Gutleber, secretary; P. C. Keator, treasurer, and E. A. Degnan, Harvey Kreucher and M. J. Loffler, directors.

Insurance Women Elect

Officers elected at the annual meeting of the Insurance Women of New York are: Agnes Lougheed, president; Eleanor B. Halliday, vice-president; Edna Morris and Evelyn Decker, secretaries; Marguerite M. Healy, treasurer, and Alice Tunnard, historian. Florence K. Atwood and Catherine L. Burns were elected to three-year terms on the executive committee.

Canfield Hotel

According to the testimony of a hotel clerk, at the first indication of fire, he and the manager went to the basement and opened a storeroom door. Flames shot out and the men immediately notified the fire department, which responded promptly.

Refused to Use Tower

Of those rescued, 27 jumped into the fire net, 37 were carried out and a number of others were led out. If it had not been necessary to devote all energies to rescue work, it was estimated that the fire could have been extinguished with no loss of life and no damage other than considerable destruction of the first floor in the non-fireproof section. The guests in the fireproof part of the hotel were as fearful as those in the other section, as it was filled with heavy smoke blown by the wind. The fire wall between the two sections held perfectly, however. There is a smoke tower in the new section, but the guests refused to make use of this to descend and instead insisted on going to the roof from which they had to be rescued.

The hotel was inspected by firemen Saturday, in line with the countrywide wave of hotel fire hazard checkups following the La Salle hotel disaster. Nothing was found amiss.

Asbestos Fire Loss \$250,000

Estimated damage is set at \$250,000 from a fire which swept the Asbestos, Asphalt & Insulation Manufacturing Co. on the north side of Chicago June 8. Figures include damage to the nearby Patterson Manufacturing Co., a subsidiary, which makes blowing machines.

N. A. I. C. Sets Mid-Year Parley

(CONTINUED FROM PAGE 3)

mittee to determine policy in this matter.

McCormack of Tennessee said he doesn't want to lose the value of any schedule but neither does he insist on the use of any schedule that is not in the public interest nor serves any definite purpose.

Mr. Robinson said there was mixed opinion in the blanks committee. Some desired to have the war economies continued for one more year.

It is the industry that asked that the war economies be made permanent.

Bruce Shepherd Tells Views

Bruce Shepherd of Life Insurance Association of America said the industry in 1942 suggested elimination of the least valuable information. Much of the information was worthless. He suggested that the schedules be taken up item by item to see which if any should be restored. Not all of the personnel difficulties have been relieved. Also, some companies would be embarrassed by the necessity in mid-year of going back to get their records in shape if the old, full schedules should be required in the 1946 blanks.

On the motion of McCormack, it was decided to permit the war economies to continue for the 1946 blank, and to determine what shall be done so far as the 1947 blanks are concerned at the December, 1946, meeting.

At this point the official report of the blanks committee was presented by Mr. Robinson.

The report was received and referred to a subcommittee with final action de-

ferred until later in the convention.

George W. Haerle, of Charles W. Sexton & Co., prominent local agent of Portland and general convention chairman, made some announcements.

Johnson of Minnesota, stated he was not ready to report as chairman of a committee to look into the feasibility of establishing a central N.A.I.C. office. However, he said, he hoped to be able to give a report later during the convention.

Florida Extends '47 bid

As to the matter of the December N.A.I.C. meeting, Mr. Thompson said the Commodore hotel, New York, has been pressing for a decision as to whether the gathering will be held there. The executive committee voted to hold the meeting there Dec. 9-11.

An invitation was extended for the June, 1947, meeting from Commissioner Larson of Florida. Holmes of Montana, proposed Yellowstone Park, saying it is free of mosquitoes. The decision was to defer action on the 1947 gathering.

New Plane Hull Rating Plan

A new preferred risk rating on aircraft hull has been established by Western Fire. The plan will permit credits of 10 to 25% on rates for privately owned eligible planes.

At present these will apply only to 1946 models, the higher credit going to planes equipped with special safety devices to reduce accidents caused by pilot error.

To qualify, the plane must be privately owned and properly hangared. The pilot must be at least 25 years of age, hold a private license, and have a good reputation and record in flying. Credit also will be given for pilot's training in meteorology, navigation and general service of aircraft.



Shown above is the LaSalle lobby looking in through the LaSalle street entrance. On either side are the banks of elevators. Immediately behind either bank are the open stairways which caused the draft allowing the fire to gain great headway. The fire reportedly started either in an elevator shaft at the extreme right front or in the Silver lounge which is located partly underneath the stairwell and back of the elevators at the right. It is possible the fire burned for as much as two hours in concealed spaces underneath before breaking into the open. The white streaks shown in the center of the picture are water dripping from the above floor.

EDITORIAL COMMENT

Correction and Apology

The Committee of Big Insurance Company Vice-presidents to Promote a \$4 Billion Government at Washington has written to THE NATIONAL UNDERWRITER chiding us for neglecting to note in last week's editorial that Mr. Truman's predecessor at Washington was a big insurance company vice-president,

Franklin D. Roosevelt having been vice-president of Fidelity & Deposit of Baltimore with assets of \$37,523,156. We offer our apologies for this shocking oversight and seek to make amends by printing this correction as prominently as the original editorial telling of the committee's formation.

The Stable Is Locked but the Horse Is Stolen

After a disaster, public authorities get very busy investigating possible dangers elsewhere. This was brought about in the Hotel La Salle fire at Chicago. After 61 people were counted among the dead and more than 200 injured, the authorities became very diligent and exacting in making an investigation of the situation to see what had caused the terrific loss of life.

Immediately several night clubs and other places were closed. But it did not require the Hotel La Salle disaster to bring these situations to light and force their correction. Any investigation in the last 15 to 20 years would doubtless have revealed many situations that needed prompt attention.

Probably local insurance men could do more than any other class in insisting on periodic inspection of this kind.

It is no more the duty of insurance men than of the newspaper men or merchants but we are prone to go along in an orderly way until something dreadful happens. Local insurance men are urged to be the leaders in traffic safety, fire prevention, etc. It is natural that they should be singled out because they are dealing with protection and they are cognizant of conditions that do cause loss of property and life. However, unless some condition manifests itself, naturally agents do not have brought to mind any particular danger.

After all, all of us can keep our eyes open for possible danger. After the Coconut Grove disaster in Boston, people who visited places of that character could well observe where other hazardous conditions existed and notify the authorities. They should still do so.

New Note in Trade Paper Advertising

Clancy D. Connell, New York manager of Provident Mutual Life and president National Association of Life Underwriters, in a very thought provoking talk recently, told what life companies are doing to comply with the spirit of the times and the new order. He said that they realize we are entering on a new day. Many of the restrictions and rules of the past have to be abandoned. Therefore it is incumbent on each branch of the insurance business to revise its course and square itself with the new order.

Among other things Mr. Connell spoke of trade paper advertising on the part of life companies. The comment might well apply to similar advertising in other lines of insurance. In his opinion the advertising in trade papers glorifying companies and attempting to attract attention by some artificial means to bring out some features of its history are outmoded. He picked up a copy of "Life Association News," the house organ of the National Association of Life Underwriters, and thumbed through it, stopping here and there to point out

the new tone in advertising and the type of publicity that he feels is far more vital than what we have had in the past.

Many of these advertisements show what the companies are doing in order to find a higher quality of salesmen. They speak of their training courses. They give advice as to new people entering life insurance and what they should do. They give the objectives of the company and tell what are its aims. They point out what an agent should do to be more successful. Without hitching the advertisement to any special company here are some of the headings of advertisements in "Life Association News" to which Mr. Connell called attention; "Covering the Prospect Field"; "The Apprentice Agency Plan"; "Helping The Agent Make Good"; "Pattern For Sound Agency Program"; "Statement of Objectives"; "Basis of Qualification"; "Statement of Manpower Policy".

We might go on calling attention to other advertisements but these are sufficient to illustrate the point that Mr.

Connell was making. He stated that companies realize a greater responsibility to the men they bring into life insurance production. They need adequate training and of a nature that is adapted to their capacity. The objective chiefly is to turn out a much better grade of salesman.

Companies now have aptitude tests preliminary to more comprehensive tests later on. Men are required to go through a certain amount of schooling before they are permitted to solicit. The companies tell how supervisors and trainers keep in touch with the men until they are actually able to boss themselves. These advertisements tell how agents can fit themselves to earn much more money than heretofore.

In these advertisements companies establish certain standards. There is a definite blueprint that must be adapted to the men in the field.

Life companies are no longer simply hiring agents. They are employing agent only after they are satisfied they will make good. Furthermore they are not satisfied unless the agents are able to make good in a way that will guarantee a very comfortable living.

It would seem to us that the advertising men as well as executives interested in trade paper advertising should study what the life companies are doing. Advertising like other features will have to be modernized and made practical, useful and invigorating, so as to satisfy the man who wants to reach the goal in insurance that will enable him to mingle with his fellows with his head a chin up.

In connection with his talk Mr. Connell stated that he didn't believe that any survey had been made to find out about how many life insurance men are needed in various localities. He spoke of Peoria. He asked how many life insurance men are actually required to sell, distribute and give service. There is a real opportunity for insurance paper advertising to serve a greater purpose in interpreting the standards companies are setting and the means they are employing to see that these standards are reached and observed. Such advertising of genuine, practical value tends to increase in esteem and respect methods being employed to find people to merchandise insurance as it should be merchandised.

PERSONAL SIDE OF THE BUSINESS

Although he is now more than 100 years old, **Gen. Julius F. Howell**, Bristol, Va., local agent, attended memorial services for Confederate war dead in Arlington Cemetery, Washington, D. C. The Washington papers published a photograph of him accepting a kiss from a hat check girl.

Arthur M. Raymond, formerly manager of the Chicago department of Travelers Fire, who retired a few years ago, was in the city last week, having spent the winter near St. Petersburg, Fla., and is now en route to his summer place at Leland, Mich.

A testimonial dinner to **James F. Crafts**, recently elected president of Fireman's Fund, was tendered by the partners of the Boston general agency of O'Brien, Russell & Co. and was attended by about 150 prominent insurance men including officials of the eastern department of Fireman's Fund, of which Mr. Crafts was until recently manager. Arthur J. Anderson was toastmaster.

Commissioner Allyn of Connecticut and Mrs. Allyn had two days in San Francisco before reaching Portland for the insurance commissioners meeting. They had planned to be on the coast a week ahead of the convention but their plans were upset by the death of Mr. Allyn's brother, Dr. Louis M. Allyn of Mystic, Conn., who was chairman and health officer of Mystic Oral School.

Charles C. Dubuar, actuary of the New York department, is recovering from the effects of an operation at Albany and was unable to attend the commissioners meeting this week. Due to his illness he was prevented from

seeing to the printing of the blanks committee report, which is his regular assignment, but the report was available at Portland in mimeographed form.

Alfonso Johnson, manager of the Dallas Insurance Agents Association, has been elected secretary of the Federal Tax Equality League of Texas, which will cooperate with the National Tax Equality Association.

Carl A. Nuetzel, Louisville agent, who during the war was safety inspector at the Jeffersonville (Ind.) Boat & Machine Co., has been awarded a life saving medal by the coast guard as a result of having rescued a laborer from the Ohio river.

DEATHS

Fred C. Baker, 50, special deputy of the Illinois department since 1941, died in the La Salle hotel fire in Chicago. Mr. Baker at one time was supervisor of the license division and lately had been a contact man for the assigned risks bureau. He served as a marine in the first war and for a time was in the diplomatic service. His home was in Centralia, Ill., and he had come to Chicago for medical treatment.

James E. Chittenden, Kentucky state agent of North America, and H. H. Chittenden, manager of Home for Home, are bereaved by the death of their father, **J. J. Chittenden**, 94, of Hampton, Ky.

Charles Brackins, 61, only negro fire and casualty agent in Dallas, died from a heart attack. Beginning as bellboy in a small hotel, he built a fortune of

THE NATIONAL UNDERWRITER



Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 3764. EDITORIAL DEPT.: C. M. Cartwright, Editor, Levering Cartwright, Managing Editor, News Editor: F. A. Post, Associate Editors: D. R. Schilling, J. C. O'Connor, Assistant Editors: Richard J. Thain, John C. Burridge. BUSINESS DEPT.: Howard J. Burridge, President, Louis H. Martin, Vice-President and Secretary, John Z. Herschede, Treasurer.

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—560 Trust Co. of Ga. Bldg., Tel. Walnut 5967, Ernest E. Hess, Southeastern Manager.

BOSTON 16, MASS.—80 Boylston St.—Room 1227, Tel. Hubbard 8696, William A. Scanlon, Vice-President.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704, O. E. Schwartz, Associate Manager, L. N. Yellowless, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St.

Tel. Parkway 2140, Abner Thorp, Jr., Vice-President, George C. Roeding, Associate Manager, George E. Wohlgenuth, News Editor.

DALLAS 1, TEXAS—802 Wilson Bldg., Tel. Central 5832, Fred B. Humphrey, Southwestern Manager.

DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677, R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994, A. J. Edwards,

Resident Manager.

MINNEAPOLIS 2, MINN.—503 Northwestern Bank Bldg., Tel. Bridgeport 7835, R. W. Landstrom, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157, William J. Gessing, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958, Editorial Dept., R. B. Mitchell, Eastern Editor; Kenneth O. Force,

Associate Editor, Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 3706, E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054, F. W. Bland, Pacific Coast Manager, Guy C. Macdonald, Pacific Coast Editor.

that the advertising executives interested in doing business are doing. Advertisers will have made practical, so as to satisfy to reach the goal, enable him to minimize his head and

his talk Mr. Conroy didn't believe that any to find out about men are needed. He spoke of Pennsylvania life insurance required to sell, discontinue. There is a real insurance paper advertisement purpose in insurance companies are they are employing these standards are. Such advertising value tends to insult respect methods and people to merit it should be mer-

BUSINESS

of the blanks commission is his regular support was available graphed form.

manager of the Dallas Association, has of the Federal of Texas, which the National Tax

Louisville agent, as safety inspector (Ind.) Boat & Ma- awarded a life sav- guard as a result laborer from the

THS

special deputy of since 1941, died fire in Chicago. He was supervisor and lately had for the assigned as a marine in a time was in his home was in had come to Chi-

men, Kentucky state erica, and H. H. of Home for Ohio, the death of their n, 94, of Hampton,

31, only negro fire, Dallas, died from beginning as bellboy built a fortune of

PUBLISHED EVERY THURSDAY

Telephone Wabash 3706.

st. Louis H. Martin, Treasurer.

Dept.—Ralph F. T. Curtin and W. J. rs.

—123 S. Broad Street, packer 3706. E. H. nager.

AL—507-S-9 Flatiron F. W. Bland, Pacific Macdonald, Pacific

about \$250,000 as bondsman and insurance agent. At a recent Jackson Day dinner, he presented 17 checks for \$100 he had obtained for the Democratic party.

Moriarty, Old North British Manager, Dies at 70

Patrick John Moriarty, formerly manager of the Detroit metropolitan department of North British & Mercantile, who retired in 1941 after being with the company for 39 years, died Friday at his home in Ann Arbor, Mich., at the age of 70. He had been Detroit manager 20 years.

He was born in Newry, Ireland, March 1, 1876, and his entire business experience was in insurance. He went with the old Palatine of Manchester in



P. J. MORIARTY

Chicago as office boy in 1891 when the late George M. Fisher was manager and in 1900 joined the western department of Liverpool & London & Globe there, becoming loss department superintendent. After two years he went with North British as an examiner in Chicago. When the western department was closed in 1910, he was appointed special agent by Commonwealth in Michigan and Ohio, and in 1916, was appointed Michigan state agent by North British. He was named manager at Detroit when the office there was opened in 1921, and also was vice-president of Inter-State Fire, which was associated with Commonwealth.

Mr. Moriarty had served as vice-president of the Fire Underwriters Association of the Northwest and was a life member of that organization. He also served two terms as president of the Michigan Fire Underwriters Association, and had been an active member of Blue Goose for over 30 years.

Surviving are a son, Edmund, who is a loss adjuster, and a daughter, Mrs. John Conroy.

Services were held Tuesday in St. Thomas church, Ann Arbor.

W. R. McDonald, 63, general agent of General Accident and Hanover Fire, died in Portland, Ore., from a heart attack.

H. P. Simons, 56, general adjuster for the Western Adjustment Kansas City branch, died of a heart attack at Bena, Minn., where he was spending his vacation. He had been connected with the Kansas City office since 1931 and before that was with the Des Moines office four years.

E. C. Henderson, local agent at Coin, Ia., for 16 years, died there of a heart attack. He was the father of J. Leonard Henderson, assistant secretary and agency manager of American Mutual Fire, Milwaukee. The Henderson agency at Coin has been sold to C. H. Kehoe.

Sol F. Weiser, 74, secretary of Dubuque Fire & Marine for 34 years previous to his retirement in 1939, died at Santa Barbara, Cal. He had been a resident of Santa Barbara since his retirement. Death was due to an infection contracted while at work in his garden.

tion contracted while at work in his garden.

Mr. Weiser's insurance career began in 1889 when he joined Phoenix of London's western department. In 1892 he went to Queen's western department and in 1900 to the general agency of Montgomery & Funkhouser, which he left to go with Dubuque F. & M.

A. T. Logan, head of Loganway, Inc., Ft. Atkinson, Wis., died of a heart attack. Harold S. Logan, a son, and Chester Ouweneel, recently returned from service, are associated in the agency.

F. C. Jorgensen, 69, retired local agent and banker of Mt. Hope, Kan., and father of John F. Jorgensen, present operator of the agency, was accidentally killed on his farm near Wichita.

Henry Gollusch, 80, for nearly 50 years a local agent in Milwaukee, died at his home following an illness. He established his agency in 1897 and later took his son, Clarence, into the firm, known as Henry Gollusch & Son, continuing active until he became ill last January.

Veteran Local Agent Dies at Davenport

Eugene J. Walsh, Davenport, Ia., local agent, past president Iowa Association of Insurance Agents and past vice-president National association, died following an operation a month ago. He had appeared to be recovering when heart complications set in.

Mr. Walsh was 68 and very prominent in Davenport insurance and business life. In 1915 he purchased an interest in the old Snider, Walsh & Hynes local agency, which operated under that name for 28 years and then was dissolved. All three members of that firm were prominent in association work. Mr. Walsh then became associated with the McCarthy Insurance agency, with



EUGENE J. WALSH

which he was connected at the time of his death. He was a partner in the agency, which was founded by Paul F. McCarthy, one of the present partners, in 1936. Harold A. Phoenix, the third partner, has been associated with the office for a number of years. Mr. Walsh had been partly retired for several years.

Blanks Committee Reports to Be Eyed by Entire N.A.I.C.

PORTLAND, ORE.—At the N.A.I.C. plenary session Tuesday morning the by-laws were amended to provide that hereafter the blanks committee report shall be considered by the full association upon submission by the executive committee. In the past final action on blanks has been taken by the executive committee. The proposal was initiated by Harrington of Massachusetts.

Off the Cuff at Portland Rally

Martin Lewis, president, and Philip T. Morehouse, assistant secretary of the Townier Rating Bureau, after attending the commissioners' meeting at Portland, are heading south to hold meetings with the surety associations at San Francisco and Los Angeles. Mr. Morehouse will also visit his sister at La Jolla.

Just as Marlon Burks, outgoing assistant insurance director of Illinois and now vice-president of the new John Marshall Ins. Co. of Chicago, and Mrs. Burks entered the Imperial hotel at Portland, Ore., for the insurance commissioners meeting fire engines pulled up there to fight a fire in a first floor restaurant. That was an ironical coincidence because the Burks just a few days earlier had escaped from a 13th floor room at the LaSalle hotel, Chicago, during the fire there. The Imperial hotel fire was put out quickly, which was lucky because it appeared to be a structure that would offer very little resistance to flame.

Four Illinois department men were at the LaSalle the night of the fire and one was killed—Carl Baker, investigator in the agents licensing division. Besides Mr. Burks those that escaped were Roy C. Barr and Fred Fleker.

R. E. Hall, counsel of Aetna Life, and Mrs. Hall had the distinction of cooling their heels in the lobby of the Benson hotel Sunday morning waiting for Mae West, the renowned actress, to vacate her room so that they could move in. She did not invite Mr. Hall to "Come up and see me."

Ernest Palmer, general counsel for the Warner fire insurance reciprocal organization and former Illinois insurance director, and Mrs. Palmer were in a room on the 17th floor of the LaSalle hotel, Chicago, the night it burned. They stayed in the room and came through without a blister. Mr. Palmer is keeping the room key as a souvenir and this he was displaying to friends at Portland this week.

Farmers Auto of Los Angeles made a hit in operating an orange juice bar throughout each day of the convention. Some 500 crates of oranges and a squeezer were shipped up from Los Angeles. Thomas J. Leavey, executive vice-president, and Mrs. Leavey, and Maurice Pew, secretary, and Mrs. Pew saw to it that all visitors were abundantly vitaminized.

Hugh Earle, former Oregon commissioner, mingled with old acquaintances at the convention. He resides at Salem and according to his own account his existence consists of two vacations of six months each year.

Claude Fairchild, retired general manager of the Association of Casualty & Surety Executives and former Colorado commissioner, went up to Portland from his home at San Mateo.

Roy L. Davis, Chicago representative of the Association of Casualty & Surety Executives and former assistant insurance director of Illinois, is stopping off en route home to go fishing with his old friend, Gov. Hunt of Wyoming.

L. J. Noa, superintendent of Insurance of Puerto Rico, flew to Portland via Miami and Chicago. He has been in the Puerto Rico department 25 years and has been the superintendent three years. In that office he succeeded Hector Ball, who in the past attended N. A. I. C. meetings. Mr. Ball is now Puerto Rico agent of National Union Fire.

On the streamliner City of Portland that was rammed head-on by the Challenger at Hot Lake, Ore., were L. D. Cavanaugh, president of Federal Life, and Mrs. Cavanaugh; Russell H. Matthias of Ekern, Meyers & Matthias, Chicago, and Mrs. Matthias; Robert E. Sweeney, president of State Life of Indianapolis, and Walter H. Bennett, general counsel National Association of Insurance Agents. After several hours delay on this account the City of Portland ran into a side car 15 miles from Portland and there was another delay. The train was eight hours late altogether.

E. M. Griggs, Chicago, associate general counsel of the National Board, and Mrs. Griggs celebrated with flourishes their 36th wedding anniversary while en route to Portland on the commissioners special train. R. E. Hall, counsel of Aetna Life, and Mrs. Hall marked their 37th anniversary at Portland Sunday.

The commissioners special train consisted of 14 cars from Chicago via C. B. & Q. and Great Northern. It was a jolly party and all hands were rubbing their stomachs in satisfaction of the seals served. Of the 14 cars four originated at New York. The train arrived at Portland early Sunday morning ahead of schedule.

Ferre Watkins, head of the Illinois liquidation department, and Mrs. Watkins arrived at Portland after spending 22 days at Honolulu, where Mrs. Watkins' parents reside.

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix

Insurance Company, Hartford, Conn.

1834

The Connecticut

Fire Insurance Co., Hartford, Conn.

1880

FIDELITY

Fire & Marine Insurance Company

PROVIDENCE, R.I.

1839

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELiance INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

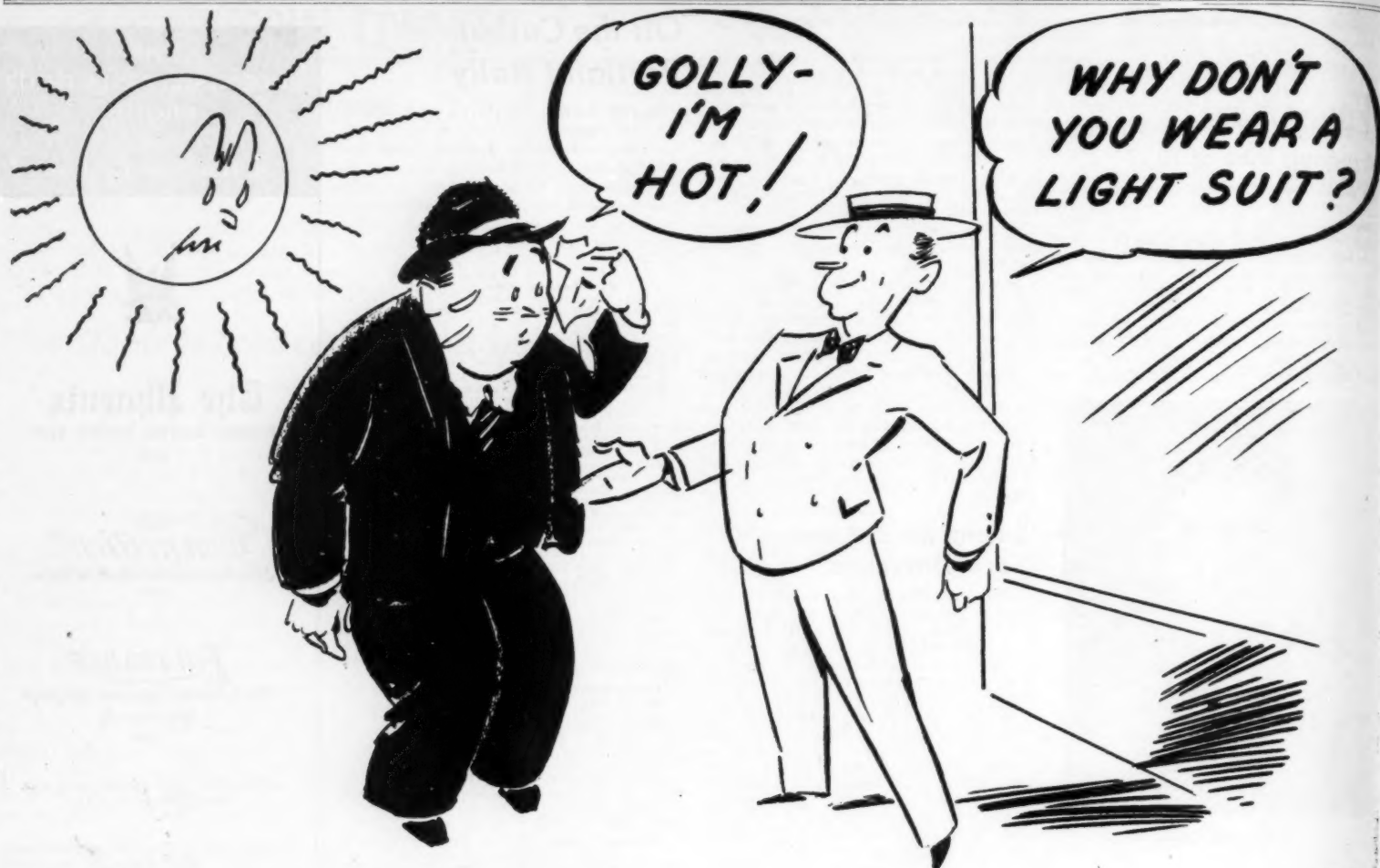
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The same applies to plate glass window fronts . . . but they can't come in out of the sun like you can. They must take it and many times black plate windows get so hot from absorbing heat that they crack . . . causing loss to you and inconvenience to your insured.

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Benjamin Boris, President

American Glass Company
1030-42 NORTH BRANCH STREET • CHICAGO

Push Unauthorized Insurer Curb at Portland Meeting

Model Reciprocity Law Considered for Adoption in Additional States

PORTLAND, ORE.—Fresh impetus was given by those appearing before the laws and legislation committee at a meeting here Monday afternoon to enactment in additional states of the so-called model reciprocity law dealing with unauthorized insurers. It provides that as a condition to licensing in its home state an insurer must not operate without a license in any other state.

Garrison of California, presiding, said the law has been enacted in only 11 states and Hawaii. It has not, he observed, been made effective in any state in which the offending insurers are domiciled.

James E. Rutherford, National Association of Life Underwriters, declared his organization devoutly hopes that the unauthorized insurance evil will be eradicated by the reciprocity statute and hopes that the N. A. I. C. "gets going on it." Agents, he said, are placed in an awkward position by the advertising of companies that can't be reached by the commissioners. N. A. L. U. is opposed to the Hobbs bill type of legislation to deny the use of the mails to non-admitted insurers.

Situation in Arizona

Rummage of Arizona stated that his legislature has refused to enact the reciprocity statute and that Arizona is the home of numerous companies of the type that is causing the trouble. He said the commissioners of other states should go the limit in jailing agents of unadmitted Arizona insurers. The matter of specifying minimum standards for the setup of insurance departments was touched upon at this meeting. This had been urged by McCormack of Tennessee. Garrison said he had questioned the departments and had gotten replies from 21 giving suggestions in this field.

D. M. Draper, attorney for Utah insurance code commission, asked the commissioners to recommend efficient legislation governing insurance departments. Much of the conflict between administrative law and judicial law, he said, is traceable to incompetent administrators.

Discuss Uniform Accounting

The matter of uniform accounting for fire and casualty companies was discussed at some length. Dineen said he now has 12 accountants making studies to ascertain facts as to how expenses are allocated. The legislature appropriated \$90,000 for the study. New York, he said, will not prescribe accounting procedure until it has consulted with N. A. I. C. and the industry, and it has no intention of prescribing any conditions that will impose bureau company standards upon independents. It is important, he asserted, to emerge with a uniform pattern. He expressed the hope that the association would defer acting upon any uniform accounting code for at least a year, so as to be able to take advantage of lessons learned by the New York study. McCormack expressed the belief that the association should take action at this time.

Harrington of Massachusetts seconded

Casualty Rate Bill Hit in Four-Hour Session

PORTLAND, ORE.—The latest version of the commissioners' and all-industry casualty rating bill was in a four-hour debate running until 7 p.m. Tuesday subjected to skillful and potent drubbing by a battery of executives of Pacific Coast companies and by that consummate foe of either prior rate approval or subsequent disapproval, Edward C. Stone, and was championed with no less vehemence and skill by H. K. Dent, president of General of Seattle and by Henry S. Moser of Chicago, general counsel of Allstate, president National Association of Independent Insurers and an all-industry committee member. The rates and rating organization committee thereupon, in executive session, voted to recommend the draft.

All standing room was taken and no one left until Mr. Moser had fired the final shot in his valiant effort to save the day for the bill. Much of the condemnation of the draft was on the theory that it would stifle the operations of independent insurers and hence it was high strategy to put the defense in the hands of Mr. Moser who represents 44 independents with \$150 million premium income.

Leading off for the opposition was Charles Seeley of the Rathbone, King

the idea of Dineen that the association should wait and take advantage of the New York studies.

Butler of Texas proposed that the association fashion a uniform agents licensing statute. He said the National Association of Life Underwriters desires to have such a promulgation made.

Hotel Experience Bad Before Recent Catastrophes

Ever since the war created a boom in hotel occupancy, it has produced an increasingly bad record for such risks. There has been a growing recognition of the need for more premiums for some time, on the basis of those premises hazards that are more common and less catastrophic than the LaSalle hotel fire in Chicago or the Dubuque, Ia., loss.

Premiums on the hotel public liability coverage are assessed on an area basis. Before the war when occupancy was "normal," experience for the insurers was fairly good. Occupancy now and for some time has been 90 to 100%, substantially increasing the exposure without any corresponding increase in premium income. Hotel bars are doing a land office business, and this always has a bearing on the possibilities of accidents. The LaSalle hotel, which at least one insurer turned down a short time before the fire, has several cocktail lounges.

Trouble Getting Coverage

A number of well known commercial hotels over the country have had to shop around to get coverage. There is a big difference to the underwriter between a commercial and a residential type hotel. The latter still is considered a good risk. It has a fixed occupancy, the terrific turnover of the commercial hotel is absent with its consequent moving in and out, and the menage generally moves at a more sedate pace.

The type of claims that insurers have been getting on their hotel liability coverage have not in themselves been unusual, even though the frequency and possibly even the severity has in-

& Seeley general agency, representing Chubb & Son companies. He declared that the draft bill is in the form of the maximum type of regulation required under the federal edict and he predicted that it could not be enacted in California. He contended the all industry committee should draft a statute providing a minimum of regulation for the guidance of such states as California. That would be wiser, he said, than to go to the legislature with a maximum bill, have it denied and thus with no regulation invite federal intervention.

R. A. Maguire, Pacific Employers, said his company wishes to continue to operate on an independent basis. The practical effect of the bill is to require prior approval of rates. It is the organization companies that need shelter, he declared.

Says It Can't Pass on Coast

J. W. Reynolds, United Pacific, predicted that the bill could not be passed in Coast states nor in about one-half the middlewestern states. He pleaded for a minimum bill, saying "see how wide open you can leave it." Not a single western state would take the regulation that New York has got, he declared. That regulation guarantees

(CONTINUED ON PAGE 34)

creased. A woman slipped in a swimming pool and her spine was injured. This case went to trial and there was a verdict of more than \$30,000. The accident apparently resulted from the skylarking of other guests at the pool, and there was some doubt that the hotel itself was liable. The jury held that the hotel owed a duty to its guests that encompassed seeing to it that there was no rowdiness. There have been a number of so-called shower cases, where the guest steps into the shower, turns on the cold water faucet and is badly scalded by hot water. A frequent source of claims is falling downstairs, tripping, and similar accidents common to almost any type of premises, but particularly so with hotels where guests are unfamiliar with terrain.

An increase in hotel O. L. & T. rates before Jan. 1 would not be surprising.

N.A.I.C. Adopts Uniform A. & H. Franchise Terms

PORTLAND, ORE.—With a slight editorial amendment N. A. I. C. at Portland adopted the proposed uniform A. & H. franchise definition statute as decided upon at the A. & H. committee meeting at Chicago recently and as reported in THE NATIONAL UNDERWRITER at the time. Also the association gave its seal of approval to the revisions of the uniform guide for measuring policy filings. This, too, was printed in THE NATIONAL UNDERWRITER.

The A. & H. committee held its meeting here late Monday afternoon.

R. A. Payne, Travelers, in behalf of the Bureau of Personal Accident & Health Underwriters, filed a draft bill setting up a model regulatory statute for A. & H. including revised standard provisions. Just one copy was filed with committee.

Industry representatives reported that they are working on a revision of the standard provisions as desired by the commissioners.

McCormack of Tennessee made some observations regarding the house confining clause, which is a pet subject with him.

Independent Adjusters Review Current Problems

Fine Program and Big Attendance Mark Philadelphia Gathering

By KENNETH FORCE

PHILADELPHIA—The first full meeting of the National Association Independent Adjusters since 1943 was considered one of its most successful. More than 150 were registered, and over 200 attended the stag dinner opening night. The banquet was a gala affair with more than 300 on hand.

Officers for the coming year are president, C. Bruce Lyle, Phoenix, Ariz.; executive vice-president, Prentiss B. Reed, New York City; vice-president in charge of fire and allied lines, Julian Calhoun, Spartanburg, S. C.; vice-president in charge of casualty and allied lines, Herbert Rosenbush, Houston; vice-president in charge of special lines, J. Chester Sneath, New York City; secretary-treasurer, John C. Griswold, San Antonio; directors: N. J. Tierney, Chicago, retiring president, Marion Arnold, Miami; E. W. Bockius, San Francisco; M. M. Johnson, Fort Wayne; Ray Lynch, Springfield, Ill.

The character of the program was outstanding. Willis Smith, president of the American Bar Association, discussed "Conditions in Germany, France and Other Occupied Countries." He received a warm reception, and officers of the association honored him at a special luncheon. George Orr, claim director of U. S. Aviation Underwriters, discussed "Handling Aviation Liability Claims." F. D. Hawkins, loss manager of United Mutual Fire, reviewed "Inland Marine Coverages and Adjustment and Personal Property Floater."

Dr. A. M. Ornstein made a strong impression with his discussion of the "Psychological Bases of Mental Disorders."

Second Day

Frank Van Orman, vice-president and general counsel of Bankers Indemnity, led off the Friday session with his talk on the "Importance of the Claims Man in the Public Relations of the Insurance Business." Ernest W. Fields, vice-president and assistant general counsel of United States Guarantee, gave an able paper on "Theft Law and Society."

At the joint luncheon between the Philadelphia Claims Association and the national adjusters group, Gerald F. McLaughlin, judge of the U. S. district court at Philadelphia, talked on "Admissible Evidence Contained in Signed Statements." Clarence R. Conklin of Heineke & Conklin, Chicago, reviewed "Legal Problems Pertaining to Inland Marine Business," and Alfred Persson, president of Topsis & Harding and Wagner & Glidden, talked on "Use and Occupancy." Richard G. Osgood, vice-president of North America, presented "Loss Adjustment with Relation to the Company and Agents." The business

(CONTINUED ON PAGE 35)



N. J. Tierney

Cal. Hearing on 4-Way Comp Plan Proves Lively

**Opposition Is Outspoken
but Belief Is All Plans
Will Be Approved**

SAN FRANCISCO—While Commissioner Garrison of California gave no hint as to what his decision will be on the request of the National Bureau of Casualty & Surety Underwriters for approval of four new compensation rating plans for risks producing more than \$1,000 of premium, the "street" in San Francisco holds the opinion that he will either approve all four or possibly less of the plans. This followed the all-day hearing in San Francisco where William Leslie, general manager of the Bureau and J. M. Cahill, secretary, explained their plans in detail and answered questions submitted by Mr. Garrison, Superintendent Dineen of New York and Commissioner Harrington of Massachusetts as well as by representatives of companies and producers.

Mr. Garrison submitted four questions to Mr. Leslie and to Mr. Cahill and the latter endeavored to answer them in detail with the result that the entire morning was taken up by their presentation of the case and replying to the commissioner's verbal questions during Mr. Cahill's testimony. Because of the present legislative turmoil over public law 15 and the possibility of court action by federal agencies if the plans were approved, Mr. Garrison put Mr. Cahill under oath and then asked questions which would clear up the question of motive in case of a court action.

Garrison States Issues

Mr. Garrison's written questions, which he called a "statement of issues" touched the adequacy and accuracy of statistics upon which the proposals are based; adaptability of future adjustment on standard rates, reserves under the plans and whether such reserves would be based on standard rates, and the distribution of administration and payroll audit expense.

Mr. Cahill referred to past studies and a more recent study made by the bureau on the statistics submitted by 32 companies operating in New York state using their nation-wide figures. He also emphasized that producers of large premiums do not develop the same expense for administration and payroll expense as do smaller risks and that these larger risks therefore seek coverage with participating companies and the state fund to recover some of the excess loading in these items in the rate make-up.

H. W. Yount, representing the Liberty Mutual and other mutual companies testified that his group had no opposition to the plans.

Participating Carriers Object

Opposition from participating companies and producers was expressed in the afternoon although the participating companies did not make any strenuous objection. Strongest opposition came from Gordon Campbell of Los Angeles, representing the Southern California Insurance Brokers Society. He challenged the bureau companies, said they were "20 years behind the times," that the proposed graded commission scale would mean that producers would be writing business for less than the cost of running an agency or brokerage office, that the plan was unnecessary, that California employers have all the facilities available to meet the issues.

His statement, several times repeated,

that the participating companies were providing the facilities, prompted Mr. Cahill to ask why Bureau companies should be barred from a plan which would provide the coverage for the large risks and otherwise be given a plan which is flexible whereas participating companies are permitted to use their plans for meeting the competition.

Suggests Charter Changes

Mr. Campbell invited all the bureau companies to change their charters to enable them to write compensation business on the same basis as the participating companies.

Ray McGuire, vice-president of Pacific Employers, objected to the advance discount plan and said, as regards the three retrospective plans, that he believed the desired results could be obtained with one or two retrospective plans. He indicated that the four plans helped add to the general confusion prevailing in the business and as to the advance discount plan he opposed its adoption because in his opinion it killed incentive for more effective accident prevention on the part of employers.

Ralph Inglis, Associated Indemnity, asked: "Will the reductions granted the large premium risks mean that the cost to the smaller risk will be increased?" To this Mr. Cahill answered, "No—there is no intention on the part of the bureau companies to increase the cost to small risk." But, he said, the bureau together with other groups, want to eliminate the redundancy from the present rating plans. He also said these new plans were to be interstate, not intrastate and that considerable study had been given to their effect upon the new position of the federal government that insurance is commerce.

Thomas J. McGuire of Industrial Indemnity asked, "Will the people of California lose anything if this proposal is not approved?" To which Mr. Cahill said, "Yes."

Commission Phase

Harrington and Dineen were interested in the commission phase. Mr. Dineen asked about the average commission paid by the participating companies, to which Mr. McGuire replied an average of about 10%, with a range starting at less than that. Mr. Harrington asked Mr. Cahill if the bureau considered the cost of obtaining business to the producer and if it had studied what the agents and brokers costs were. He was more interested, apparently, in maintaining a commission basis which would permit the producers to maintain adequate facilities for service to policyholders and to assure them a profit in compensation business.

Mr. Cahill said the bureau had not studied this phase of the situation but because of the large premiums a graded percent on risks from \$1,000 up would produce gross commissions which do permit a profit to the agent and broker while making a more business-like proposition to the employer who cannot understand why \$17,500 is needed on a \$100,000 premium or \$9,500 for payroll audit expense on his risk.

The California state compensation fund, which did not participate in any of the discussions, announced as the meeting was adjourned that it proposed to file a brief in opposition with the commissioner on the ground that the plans are actuarially unsound, unnecessary and discriminatory. Mr. Garrison then invited anyone to file briefs, for or against the plans but said they must be filed within the next week. It was intimated that he will make his decision in July.

Minneapolis Wins Safety Cup

MINNEAPOLIS—Holger Jensen, manager of the inspection and accident prevention division of Maryland Casualty, presented to the Minneapolis branch office the company's accident reduction cup which is given each year in an accident reduction contest between various branch offices of Maryland. This is the first time the Minneapolis office has won the cup. Edward C. Huhnke is manager.

Alaska Highway Insurance Cost Near \$2.5 Million

WASHINGTON—"Insurance, communication, etc." in connection with Alaskan highway cost nearly \$2.5 million, according to cost analysis data furnished by the public roads administration to the House committee on roads, which has been investigating that wartime project. The report does not break down the total to show the cost of insurance alone, but it is understood that the bulk of the item represents insurance. This was largely compensation.

The committee's report includes as appendices copies of sample contracts let, of various kinds, in construction of the Alaskan Highway and other military projects in Alaska and Northwest Canada. One such, for fixed-fee engineering-management service, provides that the Dowell Construction Co., Seattle, designated as "project manager," was to be reimbursed for actual expenses incurred in payment of "premiums on such bonds and insurance policies as the district engineer may approve or require as reasonably necessary for the protection of the government or the project manager." Losses and expenses not compensated by insurance were also reimbursable.

This contract provided that during its life the project manager would provide and maintain for all employees engaged in work under the contract "workmen's compensation insurance or such other protection for employees as may be required by federal, state, Canadian, or provincial statutes in the jurisdiction in which such work is performed, or such protection for employees as may be required by the contracting officer in those places where there are no such statutory requirements, under direction of the contracting officer."

Similar protection was extended to employees of sub-contractors. The contractor was required to supply the district engineer with proof of compliance with these provisions.

All Who Can't Get Cover Under Wash. Assigned Risk

SEATTLE—The governing committee of the Washington automobile assigned risk plan announced that effective July 1 the plan will be broadened to take in all risks unable to procure insurance through normal channels, for limits of \$5/10,000 bodily injury and \$5,000 property damage, subject to these conditions:

(1) The risk must meet eligibility requirements of the present plan (which has been open only to risks filing under the Washington financial responsibility law) particularly having to do with convictions and physical disabilities. Many disabilities, such as faulty hearing, loss of one limb or other disablements which are corrected by driving aids, will not disqualify the applicant.

Requires Three Rejections

(2) Applications must be accompanied by three rejection letters of admitted carriers. The usual notarized application form is required on all risks.

(3) The plan will not apply to risks where statutory filing is required (the departments of public service, agriculture, etc.) as well as any public livery or private livery risks.

The rates charged for risks other than financial responsibility risks are the B rates for private passenger cars plus the assigned risk surcharge of 15%. Commission to producers is 10%.

Fred Stengl has become manager of Warner Brothers insurance department, succeeding the late Frank L. Yates. Mr. Stengl has been in insurance 28 years, joining Warner Brothers two years ago as assistant to Mr. Yates.

Adjusting Key to Public Relations, Van Orman Says

Handling of claims is such an important public relations matter to the insurance business that every reasonable doubt about coverage should be resolved in favor of the insured, Frank Van Orman, vice-president and general counsel of Bankers Indemnity, told the National Association Independent Insurance Adjusters at Philadelphia.

Companies which fail as a matter of policy to pay full amounts due bring a great amount of public criticism upon the entire business, although such companies are exceptions among the great majority who deal fairly with claimants. The public rarely remembers the



FRANK VAN ORMAN

name of any insurance company, so it follows that all companies are blamed for the faults of these few, he said.

It is the handling of small claims to which the public is most sensitive and there are many more of these, Mr. Van Orman said. Much public ill-will has been created because of handling of small auto property damage cases. Mr. Van Orman suggested it be a rule that where the insured is solely responsible for the accident, the company should pay 100% of reasonable value of repairs. On the other hand, the company should not hesitate to refuse payment where claimant is clearly at fault, nor to compromise where it is difficult to decide who was at fault. Wherever nothing or less than the whole amount is paid, a full and clear explanation of the reason for this action should be given. If so, there will be disappointments, but there need be no resentment, he said.

Sympathetic Adjusting

"It was said by Hunter Brown, president of the N.A.I.A., that too often to the adjuster it is simply another loss, a common everyday occurrence, but in all probability to the policyholder or claimant, it is the event of a lifetime and the treatment he receives will leave an impression, good or bad, as long as he lives," Mr. Van Orman declared. "Adjusters must actually feel and show a sympathetic attitude. They should try to put themselves in the place of the policyholder or claimant and treat him as they would like to be treated. I think Mr. Brown is absolutely right. It is not difficult to discuss facts with the claimant and show him that there are two sides to the story. A reasonable response to his claim will quite likely cause him to offer a reasonable modification, and this is the path of conciliation and eventual compromise."

Mr. Van Orman declared himself particularly impressed with the thought

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Raise your sights



"Raise Your Sights" on property values and coverages is sound advice.

The dollar cost of replacing lost, stolen or destroyed property has been steadily increasing.

Be sure personal and business property and equipment coverages meet present values and replacement costs.

The forms of National Surety coverages are adequate to the risks. The experienced agent or broker will see that the amount is equal to the current need.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

"NO BUSINESS DIRECT"

Adjusting Key of Public Relations, Van Orman Says

(CONTINUED FROM PAGE 26)

that workmen's compensation claimants, no matter how humble, should be treated with respect and courtesy. The outside office of the compensation claim department should be designed for comfort and convenience of injured workmen to put them at ease so they will meet company representatives with a feeling of trust and confidence. Workmen should not be treated as a class

apart. Usually the insurance company is under no legal obligation to explain his rights to the injured workman, but it is a great mistake where the claimant fails to get a clear understandable explanation of benefits to which he is entitled. Many claimants are uneducated and it requires patience and special consideration to deal with them, but it is well worth it from a public relations viewpoint, Mr. Van Orman said. In spite of all that is said on the subject, it is still probably true that many injured workmen do not receive their payments of compensation on time.

Mr. Van Orman declared that claim

payments should be made with all speed consistent with efficient handling. It costs no more to make a payment promptly and a surprising amount of good-will be gained by doing so. It is good public relations practice to pay bills of doctors and lawyers in two or three days after receipt, he said. These professional men have considerable influence on public opinion. The public thinks that insurance companies take advantage of delay wherever possible and the speaker said he was inclined to think this generally true.

No plans for improving public relations through the claim department can be successfully implemented with the wrong kind of claim men, Mr. Van Orman pointed out. Much depends upon what the adjuster does and how he does it. The public is primarily concerned with performance of insurance promise and it is the adjuster who performs that promise. It can no longer be taken for granted that anyone can be a successful adjuster, particularly if public relations is a concern. If we expect the adjuster to hold public opinion in our favor, we should at least give thought to qualities and personality traits which are most likely to be helpful in the work of an adjuster, he said. We must select men of character and intelligence, who have initiative, force and emotional stability, men who have a reasonable education and who are courteous, considerate, sincere and persuasive. It is a mistake to take a man who is unable to quickly adapt himself to other people and different circumstances. The adjuster must be sufficiently hardy to withstand the impact of varied personalities. In short, it takes quite a man to be a successful adjuster, Mr. Van Orman declared. Personnel should be selected accordingly and though it may cost more per man, it will be worth the price.

Kuenkler U.S.F.&G. Actuary

U. S. F. & G. has appointed Arthur S. Kuenkler actuary. Before service as an army lieutenant colonel in charge of the contract insurance branch, office of chief of finance, he was with National Council on Compensation Insurance and the Wisconsin Compensation Rating & Inspection Bureau.

Standard Accident Head Active in Organizations

R. H. Platts, whose election as president of Standard Accident and Planet of Detroit was announced last week, has for many years represented Standard in the various bureaus and associations, and has served on important committees of these organizations. He has traveled extensively throughout the United States and is well known among agents and company officials. A native of Michigan, Mr. Platts is an ardent hunter and fisherman. His hunting lodge on the Black River in northern Michigan has long been a gathering spot for his friends.



R. H. Platts

Mr. Platts began his insurance career with Standard in the safety engineering department and was later assigned to the underwriting departments. Made assistant superintendent of the liability department in 1920, and four years later appointed superintendent in charge of inspection, auditing, and underwriting work, he entered the executive ranks as assistant secretary in 1928. In 1933 he was elected a vice-president, in charge of underwriting and allied services, and later assumed responsibility for production operations.

Risk Research's Secretary Addresses N. J. Casualty Men

NEWARK—Members of the Casualty Underwriters Association of New Jersey, at their annual meeting, heard a talk by W. W. Clement, executive secretary of Risk Research Institute in which he criticized the insurance business for hesitating to accept change and, even with prodding, accepting it too slowly.

The association elected Thomas E. Maddams, Glens Falls Indemnity, president; Henry O'Brien, Fireman's Fund Indemnity, vice-president; William Sadler, Century Indemnity, secretary; and John Young, London & Lancashire, treasurer. Ernest Ehlers, Travelers, retiring president, becomes chairman of the executive committee, serving with the above officers and Perce Rogers, U.S.F.&G. and John Rooney, of the Loyalty group.

Mr. Clement complained that although a New Jersey statute requires municipalities to provide automobile liability protection on their cars, the exclusion in the policy which rules out coverage of an employee sued by a fellow employee makes it impossible for a city to buy the insurance protection it needs. This problem has been before the carriers for a year without solution, he said.

Hits Liability Policy Exclusion

The "care, custody and control" exclusion in liability policies is another that baffles and irritates the customer, he said, mentioning a buyer who had to pay a \$30,000 loss out of his own pocket. There should be a more equitable method of calculating workmen's compensation rates than the payroll basis, he said.

Mr. Clement was particularly critical of agreements among carriers, saying that the public does not want throat-cutting but has demanded and will always demand its rights to the advantages of competition. He said that insurance buyers view with respect, but also with genuine apprehension the most recent proposals for rate regulatory legislation. They wonder whether this will permit competition for small-risks business, or merely confirm the premise that only the state can protect its citizens. He wondered what had become of interstate rating for big risk business.

Court Rulings Not Surprising

Seeing that the public, by and large, views insurance as a huge, profitable business, it was not surprising that the Supreme Court should rule it subject to laws governing virtually all other business. He said that the idea of government regulation of insurance is not new, and does not startle the public but things like the Missouri rate case do command public attention.

Also, since much of the insurance law has been supported, if not actually written by the insurance industry, it is not difficult for the student of insurance to conceive that suitable and necessary revisions can be made without great difficulty by the insurance industry itself under capable and forward-looking leadership.

P. L. and P. D. Rates for State of Washington Filed

SEATTLE—Increase in automobile bodily injury and property damage rates was filed by the National Bureau of Casualty & Surety Underwriters in the state of Washington and accepted by Commissioner Sullivan, applicable to all policies written after June 24 and to all policies effective on and after Sept. 1, regardless of when written.

The increase, heaviest on the B classification, amounts to an overall average boost of 6.2% on bodily injury and 28.3% on property damage. The new rates bring Washington back to approximately the pre-gas-rationing level, it was stated.

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The return of experienced personnel from the war has resulted in *more manpower* available now for our type of service to our agents—the kind of service they value.

Then, too, the additional lines which the American Surety Group has been writing since the Surety Fire Insurance Company began business in most states last January has given producers even greater opportunities to profit from our increased service.

More and experienced manpower, plus additional lines means a formidable combination to help agents take advantage of today's post-war opportunities.

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CHANGES IN CASUALTY FIELD

Owen to Coast as Zurich Claim Head

Amos D. Owen, superintendent of the Chicago claim department of Zurich, has been transferred to the Pacific Coast as supervisor of that claim section, with headquarters at Los Angeles. The appointment is effective July 1.

Robert P. Tobin, who has been a trial lawyer for Zurich for a number of years, becomes Chicago claims superintendent. Mr. Owen joined Zurich in 1928 as claim supervisor at Chicago. Before that he was an insurance attorney in St. Paul and handled much of the Zurich law business in that area. He is a graduate of the University of Minnesota and was a marine in the first war.

Mr. Tobin joined Zurich in 1929 and for 1½ years was in the home office claim department and then became a trial lawyer. In 1942 he joined the navy and spent 26 months on a destroyer. He is a graduate of the University of Illinois law school.

R. L. Darrell Gets N. Y. Auto Post with Royal Indemnity

Robert L. Darrell has been appointed automobile superintendent for the metropolitan department of Royal Indemnity. He succeeds F. G. Holzhauser, who was recently made assistant to F. D. Gallagher, manager of Royal's metropolitan department.

Mr. Darrell, now on terminal leave after three years' service in the army medical administrative corps, was first employed in 1930 as an underwriter in the metropolitan department of Eagle Indemnity. In 1936 he went with the Massachusetts Bonding as head of the New York branch's automobile department, where he remained until his induction into the army in 1943. He is a second lieutenant.

Employers Group H. O. Shifts

A number of promotions at the home office have been announced by Employers group.

Harold H. Mitchell, former superintendent of accounting, is now an assistant deputy manager for Employers Liability, succeeding Robert C. Schwab, resigned. He has responsibility with matters of accounting, payroll audit and statistics.

Frank J. Carey, former superintendent of the statistical department for the casualty companies, will assist Mr. Mitchell.

W. E. Wedlock will assist Mr. Mitchell and Mr. Carey.

Eugene R. Walker succeeds Mr. Carey as superintendent of the statistical department. William A. Whelan will assist him.

Frank D. Tibbets, former superintendent of underwriting, is now an assistant to the managers for Employers' Liability.

Clarence G. Scholtz, former superintendent of costs and methods, has also been promoted to assistant to the managers.

James H. Fay, former assistant superintendent of underwriting, also becomes an assistant to the managers.

Ernest T. Berkeley, former superintendent of the actuarial department, has been promoted to the newly-created position of actuary. Albert H. Leshane succeeds Mr. Berkeley as superintendent of the actuarial department.

Moves Michigan Service Office

Continental Casualty has moved its Michigan service office to larger quarters in 515 Ford building, Detroit, with E. Ronald Green, executive special agent, in charge. The office will be fully staffed with engineering service, claims and policies written there for the state of Michigan.

Erdmann Leaves Emmco Companies

H. H. Erdmann, executive vice-president of the Emmco companies, has resigned. He was formerly vice-president of the Connecticut Indemnity, with which company he was associated for ten years. His future plans have not been announced.

Price Returns to Philadelphia

Joseph L. Price has been discharged from naval service and has resumed in the Philadelphia office of Eagle-Globe-Royal Indemnity companies in automobile and boiler and machinery underwriting. He joined the group in 1935.

Farm Bureau Advances Eberhard

Lt. C. W. Eberhard has been appointed casualty underwriting manager of Farm Bureau Mutual Automobile of Columbus. He was recently discharged after serving three years in the finance department of the army. He had been with the company 15 years before entering service. In his new job, he will have general supervision of the automobile and casualty underwriting departments.

Sanders to Charlotte, N. C.

E. Dudley Sanders, assistant casualty manager of Travelers, Atlanta, has been transferred in the same capacity to Charlotte, N. C., Donald W. Paterson has been appointed casualty field assistant in Montreal and John S. Reitzell, casualty field assistant in Indianapolis.

Mr. Paterson was assistant to the divisional personnel officer, Royal Canadian Mounted Police, and Mr. Reitzell

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Life : Accident : Sickness : Group : Hospital

served for almost five years with the army air force, being released as a major.

Maguire Is Production Manager

A. J. Maguire, who was in charge of production at Philadelphia for Globe Indemnity before joining the army in 1942, has returned to that city as production manager of the Eagle-Globe-Royal Indemnity. Mr. Maguire joined Globe Indemnity in 1940 as manager of the Philadelphia accident and health department. He was made production manager in 1941.

Standard Agents Get Catalogue

Standard Accident has mailed its agents a new edition of its advertising sales helps catalogue, which is designed to boost production through suggestions on advertising and direct mail as well as other techniques. More than 100 pieces of direct mail are displayed, including folders, inserts, blotters, self-mailers and other forms. On request the company sends its agents complete kits of certain advertising pieces shown in the catalogue. Other forms in the catalogue can be prepared by individual agencies.

COMPANIES

Allstate Adds \$2 Million to Capital, Surplus

Allstate has had its capital structure increased through an additional investment of \$2 million by the parent company, Sears, Roebuck & Co. Of this amount \$500,000 was allocated to capital and \$1,500,000 to surplus.

As of Dec. 31, 1945, capital was \$1 million and surplus \$5,070,361. The additional \$2 million will provide for increased premium writings in prospect because of future expansion plans, President Fentress said. Business of Allstate and its affiliate Allstate Fire, has shown a continued increase this year. For the four months ended April 30, the combined premium writings were \$5,203,262, an increase of 54%.

Not Doubling of Dividend

The 20-cent quarterly dividend recently paid by American Automobile was not

a doubling of the amount recently paid, but the same as has been paid since the first quarter of 1945. At that time it did constitute a doubling of the rate previously paid.

National A. & C. Demands Issuance of Cal. License

LOS ANGELES—National Automobile & Casualty filed a petition in superior court for a review of Commissioner Garrison's order of May 15 suspending the company's license for 90 days, and asking for a stay of execution until the matter is determined. An order directing the commissioner to reissue the license also is asked. Circuit Judge Willis granted the stay and set June 26 for argument.

The company claims it was not given a fair hearing and was prevented from introducing important evidence; that Assistant Commissioner Lloyd, who presided, was not an attorney; that the proposed suspension order was adopted by Commissioner Garrison May 15, the same day it was filed; that the order is arbitrary and unreasonable, and that nine of the findings in the order were not supported by evidence.

It was claimed that the acts and practices complained of were common to

all compensation insurance carriers, were known to the commissioner, and never were declared unlawful; that the commissioner wrongfully assumed prerogatives of the industrial accident commission, called and cross-examined employees of the company.

The petition alleges the suspension order imposes an excessive penalty and prescribes a punishment that is cruel and unusual and tends to cause irreparable injury to the company which might force proceedings of the state to conserve or liquidate it. It also was said the suspension order was sent to the states in which company is admitted and unless the suspension is stayed the order will run in those states.

New Interests in Insurers Ind.

The Chicago Corporation, Chicago investment house, has purchased a substantial interest in Loffland Bros. Co. of Tulsa, which owns control of Insurers Indemnity of that city.

There will be no changes in the officers of the company.

ASSOCIATIONS

Chicago Adjusters' Outing

The Casualty Adjusters Association of Chicago held its annual golf outing and dinner at Itasca Country Club June 11. Prizes in the golf tournament were awarded at a dinner. Robert T. Luce, the perennial secretary-treasurer, who is vice-president of Casualty Mutual, handled the arrangements.

Seattle Adjusters Elect

S. F. Scanlin, Lumbermen's Mutual Casualty, has been elected president of the Casualty Adjusters Association of Seattle, succeeding E. E. Hilton, General Casualty. Robert M. Cummins, Aetna Casualty, is vice-president, and H. C. Tingvall, Massachusetts Bonding, secretary.

Martin Lewis in Denver

An overflow crowd attended a special meeting of the Mountain States Casualty & Surety Association in Denver which was called because of the visit of Martin W. Lewis, president Tower Rating Bureau. Commissioner Kavanagh of Colorado and Mr. Lewis spoke.

COMPENSATION

Mass. Benefits Are Increased

BOSTON—The governor has signed two bills increasing workmen's compensation benefits in Massachusetts. The maximum weekly benefit is increased from \$22 to \$25 and the minimum from \$15 to \$18. The aggregate limit on compensation rating bureau held there creased from \$7,500 to \$10,000. There will be no limit on total payments for permanent total disability.

Minn. Committees Hold Outing

MINNEAPOLIS—The rating and governing committees of the Minnesota compensation rating bureau held their summer outing at Pine Beach hotel, near Brainard, Minn., June 5-7. Commissioner Johnson and Richard Purcell, secretary Minnesota compensation insurance board, were guests.

Hazard of Old Tires

Claim men of companies writing automobile insurance say that old tires are the cause of many losses these days. These tires are in various stages of age and incapacity. They are liable to go to pieces at any time and cause havoc.

Russell Bailey, formerly a staff adjuster at Seattle for Farmers Automobile Inter-Insurance Exchange, has opened an office there as an independent adjuster.

RX FOR PROFITS

Here's a brand new prescription that packs vitamin sales punch for your personal profits!

Continental offers a general liability contract for druggists, newly designed to cover legal liability for professional errors and accidents to the public occurring in, on or away from drug store premises. Included is coverage for:

- 1) injury, sickness, disease or death resulting from the preparation, sale or misdelivery of any prescription, or of any products customarily sold by a drug store.
- 2) improper preparation or service of food or drink at the drug store soda fountain.
- 3) any accidents to the public occurring in or on the premises, as well as any accidents away from the premises in which a messenger may be involved (excluding auto liability).

Start prescribing for your community druggists this week. A letter will bring you more information.

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FIDELITY AND SURETY

Financial Report of Contractor Not Conclusive: Kiddoo

Bankers do not depend much upon the contractors' financial statement in determining his liquidity, as do surety men Guy Kiddoo, vice-president First National Bank of Chicago, told the Chicago Surety Association in a talk on contractors and contract bonds.

Sureties are primarily responsible for the frequent use of the financial statement in order to determine a contractor's liquidity, he said, yet bankers feel that these reports can be prepared to show most anything the contractor would like to represent and yet not be inaccurate. For example, many contractors forget to set up the estimated taxes due on the estimated profits shown in the financial statement.

As part of the bankers operation, Mr. Kiddoo stated, they investigate the situation very carefully and try to recommend the most logical procedure for their creditors, one of which is a joint ventures arrangement, which enables the contractor to set up a fiscal year for the purpose of carrying accrued profits into a lower tax year, thus reducing the federal tax payments made on the profits of the joint venture.

Bankers Have Not Lost

"Sureties and banks have essentially the same interest in contractors," he stated. It is a difficult lending field, but bankers have not experienced much difficulty the last 10 or 15 years. A few losses that have come to his attention date back to 1929 and shortly after the "crash" because certain contractors accepted special assessment bonds.

Mr. Kiddoo said it has always been his experience that surety companies co-operate with banks whenever a contractor is arranging for a bond or line of credit. "The prospects for a large volume of business in this line look good," he said. There is a tremendous field for all types of construction. He listed: Housing of the prefabrication type, roadwork, public and institutional buildings, heavy construction, and private industrial construction. Mr. Kiddoo stated he believed the federal government should hold off in organizing a heavy institutional building program to encourage greater progress in the other fields.

While higher costs slow down the volume of construction, this factor should be considered helpful in itself because it prevents contractors from making commitments too far in advance and thus affects his margin of profit. Mr. Kiddoo believes higher construction costs can be expected in the future and the end of this trend is not in sight. For this reason a fixed cost contract is a risky proposition for any contractor. Among the factors, he said, are inefficient labor plus the increase of labor costs which by themselves make it difficult for a contractor to estimate the actual construction costs. Mr. Kiddoo stated the tendency today to avoid this problem is toward a cost-plus-contract.

W. J. LeMunyon, survey department Fidelity & Casualty home office, was a guest and J. Lemon, Maryland Casualty, and R. R. Hubner, Great American, who have just returned from service, were welcomed back.

Army Officer Cleared by Congress, but Surety Loses

RICHMOND — The U. S. Circuit Court of Appeals here held against Maryland Casualty in its attempt to recover a compromise payment made by the company to the U. S. government on the bond of a disbursing army officer, although the officer had been exonerated by law and action against him dismissed. The case came on ap-

peal from a similar judgment of the district court at Baltimore.

The action arose out of charges made against Capt. J. D. Marshall, disbursing officer at Camp Stuart, Va., in 1926. Maryland Casualty, which had written a \$10,000 bond, eventually compromised the claim and paid \$7,000. It was not until 1943 that a private act of congress exonerated Capt. Marshall and dismissed an action against him. In rejecting Maryland Casualty's claim, both the lower court and the appellate court held that the government cannot be sued without its consent and that the congressional law referred only to Capt. Marshall and did not create any claim for Maryland Casualty against the government.

Lewis Gives View on Law Revision

SEATTLE—Martin W. Lewis, president Towner Rating Bureau, told the Seattle Surety Association at a meeting that unless the fundamental principles of rate-making are recognized in all state insurance laws enacted prior to expiration of the moratorium granted by public law 15 on Dec. 31, 1947, "the results will be disastrous."

He discussed the model rating bill recommended to the insurance commissioners and said the commissioner in each state is the key man in making the suggested law workable. He also stressed the need for adequate appropriations by legislatures of funds to run the insurance departments. The model bill, he said, is a guide and doubtless will be changed to alter conditions in the various states, but he stressed the need for preserving its basic principles and thus insure uniformity and consistency in its administration.

Gives His Opinion

In Mr. Lewis' opinion, if any state fails to pass a rate supervisory law by the end of 1947, it will be illegal for companies to combine in the promulgation of rates and possibly to execute a bond as co-surety.

While the coming months will be eventful and hazardous ones, he feels they will be among the most interesting in the history of the business. He referred to the long record of public service of the industry, stressing the long range view of accumulating reserves with which to meet the demands of heavy loss cycles. He referred to the heavy contract bond losses of the early '20s and the depository bond losses of the early '30s.

A guest was G. P. Houston of Baltimore, treasurer U. S. F. & G., who was en route to Portland to attend the commissioners' meeting. James Cathcart, pioneer Seattle surety underwriter and one of the founders of the Seattle association, also was a guest. A. O. Stenberg, Massachusetts Bonding, was toastmaster.

Bond on S. D. Dam Project

The Utah Construction Co., San Francisco, has been awarded the contract to build the Angostura dam on the Cheyenne river in South Dakota, a part of the Missouri Basin project, by the U. S. Bureau of Reclamation at its bid of \$4,237,476. Aetna Casualty through its San Francisco office will execute the bond.

Merchants Mutual Launched

A certificate to operate as a mutual has been granted to Merchants Mutual Casualty of Kansas City, which will write liability and accident and health insurance. Directors listed are C. L. Smith, N. F. Heitman, E. A. Cook and C. F. Duffelmeyer, all of Kansas City, and M. F. Lorton, St. Louis. E. L.



Helping your community can help your agency

The prosperity of your community depends largely on the continuous operation of its manufacturing plants—many of which will have to keep going on the same power equipment that served them through the war. Here is an opportunity for you to help keep towns in your area humming—by helping manufacturers safeguard their power equipment through inspections of the type made by Hartford Steam Boiler. You'll find it will put profitable new business on your books.

An agent doesn't have to be a technical expert to handle this insurance line successfully. Agents have found that they can count on the Special Agent of the Hartford Steam Boiler to provide whatever help is required in selling and properly servicing this type of risk.

The time is most opportune for getting some of this desirable business on the books of your agency. Why not have your Hartford Steam Boiler Special Agent start working with you now? He will be glad, too, to help your agency in reorienting veterans, returning to your staff, in the selling and servicing of boiler and machinery policies in your area.



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FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

Scheufler, former insurance superintendent for the state of Missouri, now practicing law in Kansas City, prepared the incorporation papers.

Sees Union Health Funds as Bar to Socialization

WASHINGTON—Following government approval of a health and welfare program for the coal miners, Agnes E. Meyer, wife of the publisher of the Washington "Post," writes that "if the labor unions splinter the welfare problem

by establishing their own insurance systems, our national welfare progress will be impeded by the indifference, if not the actual opposition, of these vested interests."

Mrs. Meyer suggests that there should be written into labor contracts providing for welfare and health, a provision that whenever such contracts come up for renewal, they may be revised as the nation develops a public welfare system, including health, accident and social insurance and local health and welfare facilities.

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ACCIDENT AND HEALTH

Blue Cross Head Forms New Chicago Insurer

John Marshall Ins. Co. of Chicago has been organized to write group A. & H. and hospitalization insurance. John Mannix has resigned as head of the Plan for Hospital Care, the Chicago Blue Cross organization, to become president of John Marshall.

Marion Burks has resigned as assistant director of Illinois to be vice-president and general counsel of John Marshall.

Harold Lichty of the Chicago Blue Cross is also joining John Marshall.

Haskins Coleman of Richmond, Va., has been named to succeed Mr. Mannix on the Hospital Plan Commission. His successor in Chicago has not been selected.

Examination Report on Bankers L. & C. Issued

The Illinois department has completed an examination of Bankers Life & Casualty of Chicago, covering the period from Jan. 1, 1944, to Dec. 31, 1945. It shows assets of \$2,386,641, liabilities \$1,410,887, capital \$300,000 and surplus \$675,754. The report states that the company is in sound financial condition, cash position is well maintained, investment portfolio composed of diversified and marketable securities and that claims have been promptly paid.

The company, which writes industrial life insurance and accident and health insurance, was organized in 1880 as Hotel Men's Mutual Benefit Association. It merged with Illinois Standard Life, a stock company, in 1942 and the present name was adopted in 1943.

At the time of the examination, the company was licensed in Illinois only, but was admitted to Michigan and West Virginia after the examination. The examination points out that in March, 1945, the company purchased an agency organization known as Agency Director, Inc., for \$800,000, the expense being charged equally between the life and the casualty departments. The organization consisted of 428 agents under verbal contracts and an agency director under written contract, operating in Illinois, Florida, Ohio, Michigan, Indiana, West Virginia and Missouri. This purchase, the report points out, made agency expense un-

usually high during 1945. The report quotes from a statement made by President John MacArthur to the stockholders last fall that the anticipated business from the acquisition of this agency organization had not been received because most of the agents were in states where the company was not admitted.

Great Northern to Increase Capital

Stockholders of Great Northern Life have been called to a meeting June 25 to ratify a proposal to increase the authorized capital stock from the \$319,000 composed of 31,900 shares of \$10 par to \$500,000 in \$10 par shares. The difference would be distributed as a stock dividend.

Surplus is \$1,120,000

Surplus at present is over \$1,120,000. The increased capital is sought by directors to round out the capital structure more in line with what it should be in a company of Great Northern's size and importance.

Several years ago when assets of another insurance company were purchased a considerable number of fractional shares were issued in connection with the purchase and many of these still are outstanding. The announcement by C. O. Pauley, secretary, states elimination of these fractional shares now is desirable, and the new issue when authorized will permit stockholders to combine their existing fractional shares with the new stock and thus do away with most of the fractional shares.

Compton Federal Casualty Assistant Manager

Following a four months western trip, Don Compton, for many years prominent in accident and health circles in Chicago, has become assistant manager of Federal Casualty of Milwaukee, serving as chief aid to J. J. Helby, president and manager.

Started with Hartford Accident

He was for two years with the personal accident division of the Hartford Accident in Chicago, having the final decision on the underwriting of all accident business in the western department and also giving considerable time to production work in that department. He left that company in 1938 to become Chicago manager of Provident Life & Accident and remained with that company until he resigned a few months ago.

He served as secretary and later as president of the Chicago Accident & Health Association and it was during his presidency in 1940 that the accident and health executives dinners, honoring some notable figure in the accident and health field, were launched by the Chicago association. He also was active in National association affairs.

A. & H. Policies Participating

At no increase in premium rates, non-participating commercial accident and health policies of General American Life have been made participating as a result of the completion of mutualization.

Policies issued prior to Jan. 15, 1946, will share in such dividends as may be declared by directors beginning with the first anniversary after Jan. 15, 1949.

Veterans in Mountain Field Posts

Bert F. Frazzini, captain in the air corps with 50 months in service, has been appointed special agent of Fireman's Fund Indemnity and Western National Indemnity for Colorado and Wyoming with office at Denver, covering southern Colorado also for the automobile department of the fire companies.

Elton W. Phair has been appointed special agent at Albuquerque, also repre-



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You have the contacts . . . they need the coverage . . . and we can show you plenty of cases in which a single sale of American Credit Insurance pays the agent \$250, \$500, \$1,000 or more.

Right now, among your clients, are manufacturers and wholesalers wondering whether business failures will pile up again as they did after World War I . . . wondering if their accounts receivable will be paid . . . and American Credit Insurance answers their problem.

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menting the automobile department of the fire companies. He was in service five years.

Moorehouse Now Special Agent

J. B. Moorehouse, who has been a casualty and automobile underwriter of United Pacific at Seattle, has been made special agent at Yakima, under Robert E. Tenney, branch manager.

Jones Manages New Office

ST. LOUIS — Continental Casualty has opened a branch office to handle its accident, health and hospitalization insurance lines at 324 Cotton Belt building. Ira R. Jones is manager. He formerly was the branch manager at Springfield, Ill.

PERSONALS

James H. Wells, newly-appointed sales promotion manager of the American Surety group, is making a trip to important centers in New York state, Ohio and Pennsylvania.

M. J. Wilkinson, superintendent of agents of Employers Mutual Casualty, has been elected president of the Des Moines Lions Club.

Charles H. Hall, secretary of American Surety, addressed the greater metropolitan regional conference of the National Association of Suggestion Systems in New York.

Guy LeRoy Stevick of San Francisco, vice-president in charge of the Pacific executive office of Fidelity & Deposit and dean of west coast surety men, was awarded the honorary degree of LL.D. at Dickinson College, Carlisle, Pa. He was a member of the class of 1885 at Dickinson and holds A.B. and M.A. degrees from that college, as well as an LL.B. from the University of Pennsylvania. In 1895 he gave up a successful law practice in Denver to go to California for Fidelity & Deposit and has headed its extensive west coast organization ever since.

During his long and successful career in the surety business, Mr. Stevick has figured prominently in many of the industry's biggest bonding deals. Probably outstanding was the part he played in formulating and underwriting the performance bond required of the Six Companies, successful bidders on the huge Boulder Dam project. The bond produced a premium of \$825,035, said to be the largest ever paid for that type of guaranty.

John M. Powell, president of Loyal Protective Life, celebrated Memorial Day by making a "hole-in-one" on the 185-yard 8th hole of the Brae Burn Country Club.

A. Y. Lytle, Aetna Life motion picture bureau supervisor, has been elected national director from Connecticut by that state's Junior Chamber of Commerce. Mr. Lytle, who also is chairman of the National Junior Chamber of Commerce film project, will make a report at the national convention June 24-29 in Milwaukee on progress of the project.

Ray L. Hills, secretary of Great American Indemnity and chairman of the governing committee of the Bureau of Personal Accident & Health Underwriters, and Miss Hazel Glenn of New York were married there last week.

Charles A. Bennett, 67, who has represented the Massachusetts Protective companies in the Worcester area for 30 years, died there. He was formerly manager of the accident and health department of Columbian National Life.

Chicago Engineers Meet June 14

The Casualty Engineers Association of Chicago will meet June 14 at 6 p. m. in the Central Y.M.C.A. at a dinner. This will be the last meeting until Sept. 13. There will be discussion of carrying on the safety instruction course and also ramification of various types of inspections.

Field Posts

tain in the air in service, has agent of Fire-Colorado and Denver, cover-also for the auto-fire fire com-

been appointed rque, also repre-

Lawton Succeeds Oldham as Oklahoma Manager

L. P. Oldham, Hartford Accident manager in the Oklahoma service office, will retire June 30 and be succeeded by Ray D. Lawton, assistant manager there. R. G. Buntin becomes the assistant manager.

Mr. Oldham joined the company as claims attorney in Oklahoma City. Mr. Lawton was its special agent in Oklahoma 1922-1935, and for some time was in charge of business development in the Kansas City branch. Mr. Buntin became associated with Hartford in 1930 in the surety department at Oklahoma, served as underwriter and Oklahoma special agent, and was in the army, becoming a staff sergeant.

Shaff Chicago Manager of Bankers Indemnity

Ralph L. Shaff, assistant manager of the Chicago branch office of Bankers Indemnity, has been promoted to manager. He is associated with J. B. Munson, vice-president, who supervises the branch.

Mr. Shaff started in the business at Chicago in 1927 with the western department of Hartford Fire. After two years he went with L. E. Yager & Co., class 1 agency there. Two years later he left the insurance business for a time and then he went with Bankers Indemnity at Chicago in 1932 as an underwriter.

The post of manager has been vacant for some time. It is anticipated no assistant manager to succeed Mr. Shaff will be appointed at this time.

Two New Indemnity of N. A. Claim Superintendents

G. C. Link, formerly assistant claim superintendent of Indemnity of North America at Cleveland, has been promoted to claim superintendent at Birmingham, N. Y. He succeeds E. D. Bauchard, who resigned to enter private law practice in Minnesota.

L. W. Alsopach has been appointed claim superintendent in the new service office at Dallas. He was formerly a home office claim supervisor.

Willard Heads Knockers Club

H. C. Willard, manager of London & Lancashire Indemnity in Chicago, was elected president of the Knockers Club of that city at the annual meeting and outing held at Elmhurst Country Club. He succeeds Bryon Sommers of Manufacturers Casualty. Al T. Seaholm of Bowes & Co. was elected secretary-treasurer, the post which Mr. Willard held during the last year.

The president's trophy was won in the gold match by Kyle E. Simpson of the Conkling, Price & Webb agency with a low net golf score of 74.

The Knockers Club was organized 30 years ago and is believed to be the oldest organization of insurance managers in the city. It has a membership limit of 25.

Downey Speaks In K.C.

J. M. Downey, Aetna Casualty, first vice-president of the Casualty & Surety Underwriters Association of Kansas City, spoke on "Products and Completed Operations B.I. and P.D." at the last summer meeting. R. H. Hawley, Travelers, presented a certificate from the association to O. R. Lewis, president in 1945, in appreciation of his service. Mr. Leeds' public relations program brought together local bankers, contractors, manufacturers and insurance buyers at the monthly luncheon meetings to hear important insurance executives speak.

Floyd To San Francisco

A. T. Floyd, Jr., formerly casualty superintendent at Pittsburgh for American Surety, has been transferred to San Francisco as special agent. He recently returned from naval service.

THERE'S PLENTY OF

Estate
Estimated at \$298,900
The estate of the late president of the C. Co., manufacturer of electronic devices, died at 82, left an estate valued at \$298,900, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$298,900, according to a probate tax return filed yesterday in County Court.

2 Sisters to Share \$80,000 Estate
The estate of the late C. Co., who died Feb. 14 after serving 21 years as pastor of the Church of Christ, left his \$80,000 estate to two sisters in Aurora under the terms of his will which has been admitted to probate in the County Court yesterday.

\$151,014 Estate Left By
The estate of the late C. Co., who died at 82, left an estate valued at \$151,014, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$151,014, according to a probate tax return filed yesterday in County Court.

Estate \$456,219
The estate of the late C. Co., who died at 82, left an estate valued at \$456,219, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$456,219, according to a probate tax return filed yesterday in County Court.

Estate \$100,000
The estate of the late C. Co., who died at 82, left an estate valued at \$100,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$100,000, according to a probate tax return filed yesterday in County Court.

FIDUCIARY BOND

Leaves an Estate Set at \$4,460,167
The estate of the late C. Co., who died at 82, left an estate valued at \$4,460,167, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$4,460,167, according to a probate tax return filed yesterday in County Court.

Mrs. C. Co. \$90,000 Estate
The estate of the late C. Co., who died at 82, left an estate valued at \$90,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$90,000, according to a probate tax return filed yesterday in County Court.

\$540,000 Will
The estate of the late C. Co., who died at 82, left an estate valued at \$540,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$540,000, according to a probate tax return filed yesterday in County Court.

\$164,584 Estate Left By
The estate of the late C. Co., who died at 82, left an estate valued at \$164,584, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$164,584, according to a probate tax return filed yesterday in County Court.

Valued at \$250,000
The estate of the late C. Co., who died at 82, left an estate valued at \$250,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$250,000, according to a probate tax return filed yesterday in County Court.

BUSINESS THESE DAYS

\$1,024,499 Estate
The estate of the late C. Co., who died at 82, left an estate valued at \$1,024,499, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$1,024,499, according to a probate tax return filed yesterday in County Court.

Valued at \$445,001
The estate of the late C. Co., who died at 82, left an estate valued at \$445,001, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$445,001, according to a probate tax return filed yesterday in County Court.

Valued at \$100,000
The estate of the late C. Co., who died at 82, left an estate valued at \$100,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$100,000, according to a probate tax return filed yesterday in County Court.

Mrs. C. Co. \$299,900
The estate of the late C. Co., who died at 82, left an estate valued at \$299,900, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$299,900, according to a probate tax return filed yesterday in County Court.

Valued at \$100,000
The estate of the late C. Co., who died at 82, left an estate valued at \$100,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$100,000, according to a probate tax return filed yesterday in County Court.

GET YOUR SHARE USING

\$1,033,202 Estate Left By
The estate of the late C. Co., who died at 82, left an estate valued at \$1,033,202, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$1,033,202, according to a probate tax return filed yesterday in County Court.

Attorney Leaves Million Estate
The estate of the late C. Co., who died at 82, left an estate valued at \$1,000,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$1,000,000, according to a probate tax return filed yesterday in County Court.

Estate
The estate of the late C. Co., who died at 82, left an estate valued at \$1,000,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$1,000,000, according to a probate tax return filed yesterday in County Court.

Couple Leave \$235,000 Estate to Their 4 Sons
The estate of the late C. Co., who died at 82, left an estate valued at \$235,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$235,000, according to a probate tax return filed yesterday in County Court.

Tops Million
The estate of the late C. Co., who died at 82, left an estate valued at \$1,000,000, according to a probate tax return filed yesterday in County Court. The estate was divided for the benefit of his wife, Mrs. C. Co., and his children. The children are: C. Co., Jr., C. Co., III, and C. Co., IV. The estate was valued at \$1,000,000, according to a probate tax return filed yesterday in County Court.

WESTERN SURETY'S SIMPLIFIED ORDER BLANKS

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Casualty Rate Bill Criticized

(CONTINUED FROM PAGE 25)

every company a profit, he contended. McCormack of Tennessee at this juncture said that never before had he heard talk of minimum and maximum regulation. Gough of New Jersey also said it was new to him.

James F. Crafts, president of Fireman's Fund, was the next objector. He observed that Fireman's Fund is an organization company and said this is

the first time it has opposed in principle anything that the majority of any organization to which it belongs has espoused. He charged that the legislation goes too far, is too restrictive and doesn't allow for flexible rate determination for stock companies. Rate regulation, he declared, should provide equality of opportunity. If mutual's dividends are uncontrolled, stock companies should

be permitted to meet their competition as to net cost. Such legislation, he declared, would lead to great growth of stock company participating insurance. It would vitally affect the agency system and he said he hopes the agents are conscious of the menace.

Mr. Crafts urged that the commissioners study the matter another six months with particular reference to the ideas expressed in opposition at Portland. A minimum of regulation might be provided whereunder basic standards for rate-making are specified and the state might examine rating procedures during the course of company examinations.

Should Be Able to Readjust Rates

Where regulation has been attempted, he said, the flow of premiums has been away from stock and toward mutual insurers. Stock companies should be given the same right to readjust rates that the mutuals possess.

Mr. Dent declared he has been an independent operator for 40 years. He said he feels the obligation is to serve the public and give it what it wants. There is nothing in the bill, he declared, to prevent Fireman's Fund from meeting the rates of the mutuals if it can do so. The main part of the problem revolves around anti-discrimination. Stock companies desire to be free to cut the rate on a line that is under attack. That is not fair, he said, nor is it good for the stock companies. The obligation of the commissioners is to look after the public, not the insurance companies. The all industry group, he asserted, has done a wonderful job. If the bill means adjusting the stock system, perhaps so much the better. He said if the commissioners wait until they get approval of all groups they will be waiting a long time.

Cites Independents' Contribution

Otto Patterson, American Automobile, declared that the independents have made disproportionately greater contributions to the business than have bureau companies. The bill, he charged, would force all into bureau ranks. The small independents couldn't afford to keep the necessary records and the big companies couldn't handle by themselves the requirements of 49 jurisdictions. They would throw in the towel, join the bureau and that is the road to monopoly, he contended.

E. L. Stockwell, Pacific Indemnity, argued that the regulations should consist of no more than guarding solvency. He charged PL15 is being seized upon as an excuse to try to shackle independents. He cited President Truman's preference for little insurance companies and said the states should make it easy for the little ones to flourish.

Maurice Pew Objects

Maurice Pew, Farmers Auto of Los Angeles, said his company is able to make rate adjustments quickly under its present system, but it could not operate as it does under the bill. Farmers Auto is not violating the anti-trust laws and needs no protection. The intent of Congress, he charged, has been misconstrued to require regimentation and a transformation of everything to the bureau basis. The bill, he declared, is a patch-work of compromise and it is not necessary for Farmers Auto to be "wrapped up in the proposition."

Rate regulation, he argued, should be limited to rates established in concert. Ray W. Gill, a director of Farmers Auto and former master of the Oregon Grange, denounced the bill. He said the grange opposed any restriction on getting good, sound insurance at the lowest rates.

Dineen of New York said National Grange Mutual Liability is operating successfully in his state with the necessary flexibility and he has heard no protest from the grange.

A telegram was read from John H. Grady, U. S. manager of General Accident, suggesting that the commissioners go slow. He said the Supreme

Court in Prudential vs. Benjamin put its full power behind existing state laws. Then Mr. Stone, who is U. S. manager of Employers Liability, held the stage for an hour. He complained that the proposed legislation would place stock companies in a straitjacket and mutuals, with dividends uncontrolled, can make the net rate whatever they see fit. No matter what the bill says, he charged that as a practical matter the task of justifying a deviation is so burdensome that uniformity as to gross rate is inevitable and that gives the mutuals free play.

Mr. Stone reiterated his recommendation that there be inserted a provision giving any solvent company the right to use the net rate that has been approved for any insurer.

Mr. Stone stepped down amid thunderous applause and the adherents of the legislation were obviously downcast. However, Mr. Moser, all agreed, did an outstanding job of resurrection.

MOSER'S POINTS

If all that was said in opposition were correct, he declared the companies that he represents have sold their heritage and would be out of business in 1948. He said he treasures independence as much as anyone. He charged that the opposition had not cited chapter and verse and he proceeded to review the bill in detail to point out provisions favorable to the independents. He declared that this is not maximum regulation. Texas, which has state-made rates, has the maximum, and states requiring companies to belong to a single bureau have the maximum.

As to minimum regulation one way to destroy competition is to adopt the Stone amendment, he declared. Big companies could undercut smaller ones and drive them out of business, then put the rates back to a redundant level. That is the loss leader route, he charged, which is outlawed in 37 states in respect to fish and rubber bands.

As to the suggestion that rate regulation be imposed only on bureau companies, he declared that is chimerical. Under such a law bureau companies would quickly desert the bureau. That would destroy concerted action rate-making, which he contended all hands agree serves a valuable public purpose. The main reason for P.L. 15 was to preserve the right of concerted action. The bill, he asserted, provides a fair, honest and reasonable method of preserving competition, and under it free enterprise will not be throttled and can grow in the future as it has grown in the past.

Casualty Assn. to Sponsor Broadcast

NEW YORK—The National Broadcasting Company in cooperation with the Association of Casualty & Surety Executives will present a special broadcast 4 to 4:30 p. m. June 16 eastern daylight time on the "National Hour." The program, subtitled, "The Invisible Hitchhiker," will deal with the 40,000 automobile deaths predicted for this year and will dramatize the fact that the average driver today lacks a thorough knowledge of proper driving principles.

The program is based on statistics and background material furnished by safety experts of the National Conversation Bureau, accident prevention division of the association.

Scotland Bonding Manager

BOSTON—James C. Scotland has been made bonding department manager of Phoenix-London group, handling the New England states from offices with headquarters here. He has been for 17 years with Employers Liability, first at the home office and then at New Haven.

MAURICE M. WALSH

General Agent Alabama

PRESIDENT BIRMINGHAM ASSOCIATION
OF INSURANCE AGENTS—1945

says:



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(Signed) Maurice M. Walsh, Pres.-Treas.

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District Managers and Representatives WANTED

Geo. F. Manzelmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Adjusters Review Current Problems

(CONTINUED FROM PAGE 25)

meeting and election were held Saturday.

The prime qualifications of an adjuster or investigator, Judge McLaughlin said, are that he should be temperamental, sensitive, keen, industrious, honest, and well paid. Assuming these qualifications, his job constitutes a profession all its own. Lawyer should not go into the claims business he said. They are not equipped to make good claims men. They haven't the proper groundwork.

Statements are important, whether negative or affirmative, Judge McLaughlin said. There should be no quarrel with the investigator if he sticks to the facts. The fancy or distorted statement is silly. The files should contain facts which can cause no confusion in the court room.

Conklin Eyes I. M. Contracts

The law pertaining to inland marine insurance is still in the formative state, Mr. Conklin said. He pointed out that inland marine premiums have grown from \$49,833,000 in 1930 to \$117,500,000 in 1945. Because of the newness and size of the business, there are many varied and interesting questions constantly arising for those engaged in the settlement of losses under such coverage.

The personal property floater is said

Late Fire News

Moberg Leaves Stuyvesant, H. W. St. Clair Now Treasurer

F. E. Moberg, treasurer of Stuyvesant for four years has resigned and H. W. St. Clair has been appointed his successor.

Mr. St. Clair has had insurance experience and was with the New Jersey department for a time. During the war served with the production office of the War Department and for the past year he has been with the Railroad Insurance Association. Mr. Moberg has not announced his future plans.

Vote Dubuque Merger

DUBUQUE—Stockholders of National Reserve voted unanimously for the proposed consolidation with Dubuque F. & M. at a meeting at which 96% of the shares were represented. Similar action was anticipated at a stockholders meeting of Dubuque F. & M. scheduled for the middle of the week.

Klinko In New Connection

NEW YORK—A. A. Klinko, managing editor "Insurance Advocate," has resigned to join the publishing firm of Joseph Wagner, Inc., in an editorial capacity. He had been with the "Advocate" since 1939. He went with the National Association of Insurance Agents in 1923 as assistant editor of the "Agency Bulletin," later was editor and advertising manager as well as assistant secretary of the association. He was publicity director of Corroon & Reynolds in 1929-1932, when he entered life insurance.

Hartford Assigns Two Men

R. N. Gibson, who went with Hartford Fire in 1938 and since 1942 has spent three years in the armed forces, has been assigned as an adjuster to loss adjustment work in Michigan with headquarters in Detroit. J. G. Doyle, who was Ohio special agent for Citizens from 1936 until he went into the armed service in 1942, has returned and been assigned to special agency work for Hartford in eastern Michigan, with headquarters at Saginaw.

to produce more claims than any other inland marine policy, yet not much litigation on the policy has reached the higher courts. Despite wide distribution and several revisions, the policy still contains many provisions or terms which could be more specifically defined, although it might be impractical to attempt more than general definitions, particularly because of the trend towards shorter policy forms. One frequent source of difficulty is the definition of "members of the assured's family of the same household." Another is determination of what constitutes a "windstorm." The exclusion in the PPF of breakage of fragile articles, and the deductible clause, do not apply when losses are occasioned by certain perils, including windstorms. None of the policies attempt to define the term as is done with burglary and robbery in those policies. In localities subject to strong winds, adjusters are presented with many claims involving breakage of expensive vases, glassware and the like, where wind is the cause of the damage.

Phase of Bailment Losses

One phase of bailment losses which have sometimes escaped attention is the case where some act of the bailee amounts to or can be classed as conversion of the property. If the bailee is guilty of conversion his liability is not limited to the agreed valuation, but he must respond in damages for the full value. This class of bailment contract usually involves furrier's receipts, baggage checks, laundry, and warehouse receipts. Many adjusters are not aware of or overlook the fact that the courts almost universally hold that misdelivery by a bailee constitutes conversion. Any unauthorized delivery to a third person which is contrary to the bailment agreement has been held to be a conversion. It is conversion for a warehouseman to sell property of the owner to satisfy a lien without strictly adhering to the statutory procedure with respect to the sale. The same rule has been applied in case of storage of property at a place other than as agreed, he said.

CRITICISM OF P.P.F.

Adjusting losses on the personal property floater was discussed by F. A. Hawkins, loss manager of United Mutual Fire.

Interpretation varies among companies as to what constitutes "similar fragile articles," he declared. If it was

intended to exclude breakage of glass, such as mirrors, bookcase doors, table tops, etc., he asked why the form would refer to glassware which in its narrowly accepted use describes table articles of glass. Also, he noted, it is difficult to explain to the policyholder the apparent inconsistency of accepting liability for watches or jewelry dropped or broken, but refusing coverage for a similar mishap involving statuary or bric-a-brac.

This paragraph needs rewriting and clarification, he said.

Another paragraph which has caused trouble is G, which excludes loss against wear and tear, loss or damage caused by dampness or atmosphere or extremes of temperature unless such loss or damage is directly caused by rain, snow, sleet, hail, bursting of pipes or apparatus; against deterioration, moth, vermin, inherent vice; against damage to

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George Washington went to Betsy Ross, an expert seamstress, for help in making the nation's official flag. It was she who suggested a five pointed star instead of the usual six pointed one to represent the states.



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property (watches jewelry and furs excepted) occasioned by or actually resulting from any work thereon in the course of refinishing, renovating or repairing process.

"Wear and Tear"

"Wear and tear" might give rise to confusion, he noted. Use of the legal meaning, that of loss or injury to which anything is subjected in the course of use and not the literal meaning of wear, he recommended as preferable. The exclusion dealing with "moth and vermin" might sometimes be debatable as in the case of squirrels. The provision declining coverage on articles damaged while being repaired is proper, he said, but excluding watches, jewelry and furs again might be called inconsistent. Although the reason is that the jewelry and fur floater would cover in such cases and the personal property floater is made to do likewise, to explain to a policyholder that his watch or fur coat damaged in the course of repair is covered but other items of personal property are not, is difficult to justify.

Can be Worked to Death

There is danger of working the P.P.F. into the ground, Mr. Hawkins pointed out. In some respects the policy seems to go beyond the basic concept of insurance, which should be to provide indemnity for loss otherwise financially burdensome. He remarked that paying for a succession of trifling losses when the amount is of no moment removes the policy from the realm of insurance and places it in the category of a petty cash transaction.

He noted that there is a growing tendency on the part of some policyholders to regard it as an investment rather than indemnity. Too often companies have been forced to cancel because of frequency of small claims, but he pointed out that this is merely the effect. The cause can be traced directly to the contract, which invites claims and is presented in glowing terms to prospects.

Gives Short History

In an early part of his talk, Mr. Hawkins briefly discussed the history of marine insurance and emphasized that inland marine is definitely on the increase and now presents a considerable factor in the aggregate premium income of fire companies. He commented that because it is such a substantial part of the business, many executives are growing concerned at what appears to be a reluctance on the part of some adjusters under inland marine losses. He declared that any adjuster who fails

to study and progress with the business does himself a distinct disservice to his own capacity and earning power.

He reviewed the four major classes of inland marine and touched briefly on the mortician's liability policy, which covers liability of the insured for damages because of injury to or destruction of deceased human bodies. He said that he was in a quandary in arriving at a sound value of the item involved.

OSGOOD'S ADDRESS

A number of constructive contributions which may be made by adjusters to demonstrate to policyholders that there are other interests than the minimum amount for which the case can be closed, were given by Richard G. Osgood, vice-president North America.

Fire prevention and loss prevention gospel is the first, he said.

Another is the possibility of subrogation in fire and sprinkler leakage losses. Mr. Osgood said that in the past companies have been casual because of low loss ratios resulting from ample rates. However, closer control of loss cause and class experience seems imminent in the states and both require that subrogation opportunities be exploited carefully so that the ultimate burden may be borne by those responsible and it may be charged to the proper class. He asserted that adjusters are expected to investigate loss cause carefully and report fully any indication of a right to recover.

Subrogation Possibilities

Comment on subrogation possibilities will be as commonplace in a fire loss report as it is today in the automobile collision case, he stated. It will be aided by the 10% extension clause of the new dwelling form and he urged that adjusters make note of every case suggesting a possibility of recovery.

Another related need is suggestion or criticism of clauses or forms that cause difficulty in adjustments. Adjusters are in an enviable position on this matter, Mr. Osgood commented, and have a real incentive in making such contributions.

At the same time, adjusters can do a great deal for the companies by removing the stigma of "claimant" from a "policyholder." He said the policyholder with a loss should receive the same treatment accorded a bank depositor when he makes a proper withdrawal; but the majority, having their first experience with fire damage, merely know that they are insured and have only a vague conception of extent of coverage. They are prepared for the worst and many are willing to water their claims, anticipating that whatever their initial figure may be, it will be pared by the adjuster in a routine process.

Touching on regulatory proposals, Mr. Osgood noted that there is a tendency in some states to control maximum loss expense factors. He declared that adjusters have a great public relations assignment to convince authorities that more is being given now in service than in the past.

Orr on Aircraft Claims

G. W. Orr, New York, claims director U. S. Aviation Underwriters, reviewed the coverage of aircraft policies and the procedure in adjusting claims. He also discussed the laws applicable to aviation, pointing out that there was very little statutory law and that the common law rules of negligence generally apply. He also discussed the principal exceptions to the applicability of the usual rules of negligence, the land damage laws of 15 states and the Warsaw convention applying to international flights between signatory countries.

Curley on Job

James N. Curley of Philadelphia, convention chairman, did yeoman service in helping to put together the program and providing for a bill of quality entertainment. Mrs. Curley was hos-

tes for the ladies' program, which consisted of a luncheon, fashion show and a dinner Thursday and a tour through Philadelphia and Valley Forge Friday. N. J. Tierney of Wagner & Glidden, Chicago, president, presided at the sessions.

The convention certainly impressed adjusters who were guests and increased the prestige of the organization in its own field and among other insurance people.

Late Fire News

Zone 6 Examination Proposal Adopted on 6-Months Trial

PORTLAND, ORE.—A procedure governing qualification of examiners and conduct of conversation examinations as recommended by zone 6 was adopted on a six-month trial basis by the N. A. I. C. examinations committee at a heated session Tuesday afternoon. Also adopted was a resolution desired by zone 4 to appoint a subcommittee of three to draw up for submission in December a guide for conducting examinations.

These steps were taken against the strenuous objection of Read of Oklahoma, committee chairman. He contended that the subject is an old one and that regulations that have been promulgated in the past have not been observed. He warned against taking any action that could be construed as implying that there is serious trouble in the examination system.

Harrington of Massachusetts swayed the decision to take immediate action. He made an impassioned plea for an end to temporizing with the examinations problem. The examination system, he declared, must be conducted on a better and higher plane. Such improvement must be accomplished or Congress will take a hand, he predicted. Gough of New Jersey strongly supported Harrington's stand, saying it is high time N. A. I. C. gave public expression to its intention of improving the system. Read asked whether the group would entertain a motion to abolish the examinations committee and have each state go it alone.

Zone 6 Proposal

The zone 6 proposal was reported by Thompson of Oregon. The zone 6 plan declared that the responsibility of selecting examiners rests with the commissioner, but states should assign to convention examinations only examiners regularly employed by the state. Each commissioner should file with the zone chairman a list of examiners that will constitute his panel, classified as between senior or junior examiners, giving age and sketch of business experience. Provision is made for filing objections to any examiner on the list. Each examiner should cooperate with the other examiners and accept the duties assigned to him. He should assume responsibility for his own task and take a constructive interest in the whole project. He should not make any major inquiry on his account without the knowledge of his colleagues. He should regard himself as a fact-finding functionary and should be courteous and tactful.

The examiner should observe the same working hours as that of the company or the hours fixed by the department of the state in which the company is located. He should remain until the job is completed. He should communicate any major difficulty to his commissioner and to the zone chairman.

Forbes propounded the zone 4 proposal that a guide for conducting examinations be put out. McCormack of Tennessee insisted that no regulation be set down that would interfere with the right of an examiner to pursue any line of inquiry that he or his commissioner feels is desirable or necessary. McCormack and Gough clashed sharply.

Mass. Tells How to Extend Company Writing Powers

The Massachusetts department has issued instructions to all fire, marine, casualty and surety companies licensed in the state with respect to extension of writing powers. Companies having \$1 million surplus to policyholders are authorized, except with respect to life, endowment and annuity policies, to insure and reinsure risks of every kind or description wherever located.

The company should specify the lines of insurance now being written, together with information concerning additional lines within the scope of the underwriting authority it possesses; the amount of surplus to policyholders, the reference to the pertinent sections of its charter and by-laws showing the authority for contemplated operations, or the laws of the state of domicile which authorize the company to engage in the kinds of insurance permitted under the Massachusetts law. The department suggests that each out-of-state company forward a statement from its home state commissioner, advising that the transaction of the additional lines will not conflict with the laws of the home state, the company charter or its by-laws.

While it may not be a statutory or legal requirement in every case, the department believes it advisable for each company, whether mutual or stock, to obtain a vote of authorization from its policyholders or stockholders as the case may be. By-laws should be examined carefully to determine whether or not there are restrictions upon writing powers. Fire and marine companies proposing to take on compulsory automobile liability are notified that they should join the Massachusetts Automobile Rating & Accident Prevention Bureau. Such policies must conform to certain statutory provisions and policies must be filed with the department for approval.

Md. Agents Meet June 27-29

The Maryland Association of Insurance Agents at its midyear meeting in Ocean City June 27-29 will discuss the new state casualty rating law. James M. Cahill, secretary National Bureau, and Carl W. Wheelock, manager Maryland rating bureau, will handle the topic. The meeting is the first midyear in five years and will be at the Atlantic hotel.

WANT ADS

Casualty Company operating in Ohio only, desire Assistant Claims Manager. Must be thoroughly experienced all lines and have some administrative experience. Give resume former employers, education, salary expected, and date of availability. Pioneer Mutual Casualty Co., 74 N. 3rd Street, Columbus, Ohio.

WANTED
Two experienced Fidelity and Surety men. One for the eastern section of Michigan and including the city of Detroit and one for the State of Indiana to headquarter in Indiana. Reply giving age, experience, education and credentials. Reply will be held confidential. Address G-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED
Casualty Underwriter by Home Office of increasing, well-established stock company in Central West to underwrite Compensation, Liability, Burglary and Plate Glass. Prefer men with a minimum of ten years' experience. Our employees know of this ad. All applications treated confidential. Address G-40, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WASHINGTON—OREGON
Combination producer and underwriter thoroughly experienced in multiple Casualty and Surety lines desires position in office of General Agency or Company Branch in Washington or Oregon. Might consider occasional part time field work. Address G-41, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Says Sherman Act Is Stumbling Block

Addressing the Detroit Association of Insurance Agents and a number of company men, Stuart Galloway, assistant general counsel for Fidelity & Deposit, said that when the all-industry committee was formed, it was thought that a ready solution could be found for the Sherman act, but it soon became evident that 95% of trouble was caused by this act and 90% of that was the rating problem. If the industry is to be free of the Sherman act after Jan. 1, 1948, we will have to have rating laws passed in all of the 48 states, Mr. Galloway declared.

In spite of conflicts in interest among various type of carriers, the prospects for the industry agreeing on the rating bill are extremely bright, Mr. Galloway said. There are two proposed bills, one for fire and one for casualty. Companies may join a bureau as a member or subscriber or can file rates independently. Rates must meet standards set and must not be excessive, inadequate or unfairly discriminatory. Rates will be grouped by classifications and classification of rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions. The bills provide subsequent disapproval with a waiting period.

When an insurance commissioner is given the power to approve a rate, he must know the factors going into the rate and if he thinks the acquisition cost or commission factor is too large, he may refuse to approve it. Of course, Mr. Galloway said, there is nothing to stop a company from paying a higher commission than that used in making the rate.

Freedom of Contract

"It seems to me that the matter of commission should be left as much as possible to freedom of contract and handled through concerted action of company and the producer," Mr. Galloway said. If it is handled this way, however, some state legislation would be necessary to take this method of handling out of the provisions of the Sherman act.

Leslie R. Hamann, president of the Detroit association, spoke briefly, thanking those present for their substantial attendance at meetings and commended officers and directors for their efforts to improve agent's service to the public and companies.

Elmer Salzman, executive secretary of the association, thanked company men for their continued support of membership effort. He said that the success of the group health and accident plan for the association, on which Standard Accident is the carrier, is an accomplished fact.

Myers Brothers Back from Service; Rejoin Firm

Mead T. Myers of John C. Myers & Sons, insurance adjusters of Detroit, has returned after five years' service in the navy. In 1941 he was commissioned an ensign after piling up 800 hours of civilian flying time, and became a flight instructor and assistant engineering officer at Grosse Ile, Michigan, then was stationed at Port Columbus, as test pilot and ferry pilot. Later he was flag pilot with the fifth fleet, stationed in Yokosuka, Japan, and China. He went on in-

active duty as a lieutenant commander in May.

Mr. Myers will have charge of survey and adjustment of aircraft and boat losses.

Charles T. Myers also has returned from service, having been a staff sergeant in the army in New Guinea and the Philippines.

McKinney Manley Manager

Merle McKinney has become manager of the Manley agency at Lawrence, Kan. Mr. McKinney first entered the business in 1925 when he started an agency in Lawrence and has been in insurance and real estate since then. He was discharged from the army in October after three years' service, most of it in Europe.

Appointment of Mr. McKinney came on the 43rd anniversary of the purchase of the agency by Robert C. Manley, who died in 1932. Forerunner of the firm was the Selig agency which was established in 1854, year of the founding of the city. Following the death of Mr. Manley, Eugene Glahn assisted Mrs. Manley in managing the business until he died in 1941. Mrs. Manley will remain active under the new arrangement.

Abel Mutual's Field Man

Richard Abel has been appointed special agent in western Iowa by Central States Mutual of Mt. Pleasant, Ia. He has had many years' experience in insurance, and resigned from Massachusetts Bonding to join Central States.

McClain Speaks at Muncie

Harry E. McClain, former Indiana commissioner and now executive secretary of the Indiana Association of Insurance Agents, spoke before a joint meeting of the Muncie Board of Realtors and the Muncie Insurance Board.

Lynch Opens Alton Office

The Lynch Adjustment Co., Springfield, Ill., has opened a new office at 701 First National Bank building, Alton, Ill., under the management of Harry L. Boyer, recently returned from the Navy, who was manager of the Decatur office for several years.

Scheufler Speaks in K. C.

Former Superintendent Scheufler of Missouri will speak at the Associated Industries luncheon at Kansas City June 18 on "Implications of Federal Control Over Insurance."

Piper Leaves Wichita Agency

W. H. Piper, Jr., of the Dulaney, Johnston & Priest agency, Wichita, has withdrawn to enter another line of business in Kansas City, Mo. A solicitor for the agency before the war, during which he served as a bombardier for the A. A. F. in the European theater, he was taken into the firm shortly after returning a few months ago. He served as chairman of the fire prevention committee of the Chamber of Commerce for two years before the war.

Wind, Hail Losses in Kansas

WICHITA — Scattered windstorms caused damage in south central Kansas last week, which was confined to farm properties except in the small town of Cullison near Pratt, where the school was unroofed and other buildings slightly damaged, and at Arkansas City, where the first tornado on record to damage city property caused considerable damage. The towns are more than

100 miles apart. Heavy hail accompanied the storms.

Last week 566 Kansas hail losses to wheat were reported to the Kansas and Oklahoma loss clearing house, largely from storms of May 29, which were widespread over western Kansas. The previous week 646 hail losses had been reported to the clearing house. Moderate rains the last week of May are estimated to have increased the probable wheat yield at least 15% in Kansas.

Announce Minn. Convention Plans

HIBBING, MINN.—Committees which will handle the annual meeting of the Minnesota Association of Insurance Agents here Aug. 29-30 were announced this week by President William Knudsen of Hibbing. The Hibbing Association of Insurance Agents will be the host. General convention chairman is John Golob with Charles Bardessono co-chairman.

The tentative convention plans call for a meeting of the executive committee the evening of Aug. 28 and continuing the following morning. The convention proper will get under way with a luncheon Aug. 29. The banquet will be that night. There will be an open session and speakers Aug. 30 followed by a luncheon and a closed business session and election of officers in the afternoon.

IN THE SOUTHERN STATES

Draw Up Florida Agents Program

The program has been drawn up for the annual meeting of the Florida Association of Insurance Agents to be held June 19-22 at the Ritz Plaza, Miami Beach.

On June 19 the executive board will meet. All sessions will take place in the morning. On Thursday, June 20, President J. Howard Gould will call the general meeting to order. There will be an address of welcome by Mayor Frink of Miami Beach, with a response by W. Pat Fischer, West Palm Beach. Announcements will be made by A. C. Eifler, Tampa, secretary, followed by President Gould's report. This will be followed by an open forum on fire, casualty and surety rating laws with Frank D. Moor, Tallahassee, and O. Mitchell Stallings, Tampa, as discussion leaders. Thomas T. Elmore and Hugh T. Christie, deputy commissioners from Tallahassee, will contribute to discussion on the fire rating law and the casualty and surety laws respectively. Hunter Brown, Pensacola, president National Association of Insurance Agents, will speak on "The Insurance Agency System and Its Future."

The June 21 session will be opened with reports of Secretary Eifler; L. P. McCord, Jacksonville, state national director; L. L. Sertel, Miami, chairman of rates and forms; B. D. Cole, West Palm Beach, chairman membership; J. Paul Lassiter, Leesburg, chairman compensation and casualty.

Election Saturday

Saturday, June 22, there will be a motion picture on the bank-agent auto plan. Walter J. Matherly, dean of business administration of the University of Florida at Gainesville, will speak. There will be voting on constitutional amendments and presentation of certificates of award to the Miami class for completion of the 100 hour educational course. This will be followed by the report of the resolutions and audit committees. There will be election of new officers and invitations for the 1947 convention. Mr. Brown will then install

George A. Thompson of Minneapolis is chairman of the program committee.

W. E. Koehler, who was in the casualty field before entering service, has been appointed Milwaukee manager of the Home Mutual and Home Mutual Casualty of Appleton, Wis.

Clarence Hill, veteran local agent at Port Washington, Wis., and his wife celebrated their golden wedding anniversary June 10.

Scott Gardner of the Wheeler, Kelly, Hagney agency has returned to his home in Wichita after three weeks in a St. Louis hospital receiving treatments for an eye injury. He believes he is now on the road to recovery, but will not be able to return to his desk for some time.

At the annual meeting of the Insurance Women of Racine, Wis., Lunette Giefer was elected president; Rachel Schoeppe, vice-president; Betty Charlton, secretary. Duncan Beers, resident manager of Western Adjustment, discussed its work. Clifford Burr has purchased the Blaine Goodwin agency at LaPorte City, Ia.

Cornelia M. Roche, Insurance Agency Co., has been elected president of the Insurance Women of St. Louis, succeeding Ruth Hellman, American Surety. Vice-presidents are Helen Jurgens, Marsh & McLennan, and Hespia Godlove, Aetna Casualty; secretaries, Helen Gaeber, Mercantile agency, and Clara Anselberg, Henry S. Cushman & Co.

the new officers as special installing officer of the association.

Thursday afternoon there will be a boat ride and that evening an informal banquet. Friday afternoon will feature a golf tournament for ladies and men, a shopping tour and bridge. Friday evening there will be a party given by the Miami board, followed by a water sports show.

Tenn. Agents Plan Appeal of Court Rule Reversing Auto Dealer Decision

NASHVILLE—The decision of Circuit Judge White reversing the action of Commissioner McCormack in denying licenses to Tennessee automobile dealers to represent Motors Insurance Corp. of New York, will be appealed immediately to the state court of appeals, Cecil Simms, attorney for local stock agents, announced after a conference with the state attorney general's office to determine the department's attitude. Before leaving for the Portland, Ore., meeting of the National Association of Insurance Commissioners, McCormack instructed his attorneys to go further with the suit.

Examination of the opinion indicates John J. Hooker, attorney for the auto dealers, made effective use of a letter written by then Commissioner Reese to the vice-president of General Motors in 1932 in which he declared operations of General Exchange, licensed to operate in Tennessee, were "entirely within the bounds of the insurance laws of the state."

Declared in "Legal Bounds"

Judge White decided that the operations of Motors are similar to General Exchange and therefore within "legal bounds." McCormack's action in refusing license to the dealers was described as "honest and conscientious, but based on erroneous interpretations of the law."

The court admitted that its decision was based, in part, on the "integrity of R. Fred Ogles (listed as prosecutor in the test suit) who testified that his salesmen will not quote insurance rates or sell policies." Presumably each holder

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of a license under these conditions would be subject to its revocation if he went the least bit beyond handling insurance necessary to the sale of an automobile, and the insurance department would be burdened with enforcement of such restrictions. Mutual agents of the state, represented by Levine & Levine of Nashville, also will be parties to the appeal.

Arkansas Bureau Announces Lower Fire Rates

LITTLE ROCK—In accordance with Commissioner McKenzie's recent rate reduction order, the Arkansas Fire Prevention Bureau announced lower dwelling fire rates for use in Arkansas and published a completely revised general basis schedule No. 3 used for rating dwellings and allied classes. The new rates represent about 15% reduction.

The bureau is discontinuing publishing rates on all dwellings except those which are exposed by mercantile, industrial or manufacturing buildings or are beyond fire hydrant protection in towns, classes 1 to 8, inclusive. This means that Arkansas agents will make their own rates on the great bulk of dwellings.

The charge for seasonal occupancy has been reduced to 24 cents and where a dwelling is located outside of a 10th class community, this charge should be added to the farm rate.

Publication of the new schedule has set up a sharp differential between class 10, unprotected dwellings, located outside of cities in so-called "designated areas" which now have a basis rate of \$1.38 and unprotected dwellings which must be written under the farm schedule and which take a basis rate of \$1.80.

The bureau with one exception, has withdrawn the 5% credit now allowed on all protected mercantiles which has been in effect for several years, but the 5% credit still applies to frame mercantiles in protected communities.

Ark. Mutual Agents Name Ritter as President

LITTLE ROCK—W. M. Ritter, Little Rock, was elected president of the Arkansas Association of Mutual Insurance Agents at the first annual meeting here. Other officers are: Vice-presidents, Elmer Adams, Harrison, and E. W. Williams, Fort Smith; directors, Herschel Lewis, Little Rock; Curtis Noble, Marked Tree; H. C. Berryman, Russellville; Tom Cox, Little Rock; Ed Pace, Camden, and A. T. Dietrich, Blytheville.

An insurance clinic was conducted both mornings by field representatives of mutuals operating in Arkansas. Among the speakers was E. L. Sherard, executive vice-president Equity Mutual, who discussed "Liability Coverages." J. H. Carmichael, director Arkansas Law School, spoke at a banquet, and J. W. Pemberton, assistant manager and chief actuary Arkansas Fire Prevention Bureau, outlined rating problems in a noon luncheon talk also on Thursday. The Greater Little Rock Chamber of Commerce was host to the mutual men at its weekly luncheon.

Mr. Ritter formerly was secretary-treasurer. The board is expected soon to name a successor to fill his place.

Tenn. Agents Convention to Be Oct. 10-11 in Memphis

NASHVILLE—The 1946 convention of the Tennessee Association of Insurance Agents will be held at Hotel Peabody, Memphis, Oct. 10-11; Manager George L. Goss announced following the quarterly meeting of directors here. The association had 180 in attendance at its meeting in Chattanooga last year and hotel reservations at Memphis are still below requirements.

Cecil Simms, attorney for local stock agents, discussed before the board the court's decision in reversing the action of Commissioner McCormack in refusing

licenses to auto dealers. He expressed confidence in an appeal to a higher court.

President J. M. Donoho, Hartsville, presided in the absence of Chairman W. C. Edwards, Kingsport.

North Carolina Women Elect

Officers elected at the annual meeting of the North Carolina Association of Insurance Women at Greensboro are Mrs. J. W. Horne, Charlotte, president; Mrs. G. W. Isley, Raleigh, vice-president; Mary Louise Davidson, Charlotte, secretary; Celeste Allen, Raleigh, treasurer. The executive committee is comprised of Anne Carey, chairman; Miss Gwyn Jones, Charlotte; Katherine Pittman, Raleigh; Margaret Sampson, Greensboro, and Mrs. R. W. Russell, High Point.

The convention was attended by 150 women. Principal speaker was B. C. Vitt, vice-president of American, who declared that, "We have reached the point when one policy covering multiple risks of property ownership is not only desirable but mandatory." Officers were installed by T. G. Redden, prominent Greensboro agent. The next annual meeting will be in Raleigh.

Wiechman in St. Petersburg

William H. Wiechman, who had been operating an agency in Cincinnati, is now in business at St. Petersburg, Fla. He represents Preferred Accident, Manhattan F.&M., American Eagle, Continental Casualty and Provident Life & Accident. He began in the business in 1930 in Cincinnati and worked with the agencies of A. W. Shell, Perkins & Geoghegan and Thomas E. Hanlon, going into business for himself in 1939. He sold his Cincinnati interest to H. R. Whiteside & Co.

Casey Is Pierson Partner

Jerry Casey will become a partner in the Harry A. Pierson agency at Shawnee, Okla., July 1. For several years Mr. Casey has been with U. S. F. & G. in Little Rock and Memphis as claims man and more recently as casualty underwriter.

Veteran Oklahoma Agent

Harry Gilbert, who with his son, Harry Gilbert, Jr., has opened the Gilbert & Gilbert agency in Oklahoma City, has been in the business in Oklahoma since 1916. He was with Pearce, Porter & Martin in Tulsa for 15 years. Since 1932 he had been with the Frates agencies in Tulsa and in Oklahoma City. His son graduated from the University of Oklahoma in 1940 and entered the army in 1941 as a second lieutenant. He went to the Pacific early in 1942 and was advanced to major during the Leyte campaign, returning to this country in 1945.

Ga. Deputy to Company Post

ATLANTA—T. Walker Jackson, deputy insurance commissioner of Georgia, who resigned some time ago but continued his work, due to the ill health of Commissioner Parker, has relinquished his position with the state to become vice-president of Southern Life, to which place he was named last spring, when he resigned as deputy commissioner. No successor has yet been named.

F.C.A.B. Moves Southwestern Office

The southwestern department office of the Fire Companies Adjustment Bureau has been moved to the 20th floor of the Mercantile Bank building, Dallas. The Dallas branch, however, will remain at 1324 Liberty Bank building.

NEWS BRIEFS

Scott Nixon and James P. Walker, Augusta, Ga., local agents, who ran as independents in the recent primary, were elected county commissioners.

William F. Law, who has been in

the army for four years, has returned to his local agency in Augusta, Ga., now known as Barrett & Law.

Joe A. Summers, Summers-Speed agency, Johnson City, Tenn., was honored for 25 years of membership in the Kiwanis Club where he is credited with organizing the club and was its first president.

W. Elwyn Quinn, Gilmer, Tex., local agent, has been elected governor of the 128th Rotary District. He has been chairman of district 8 of the Texas Association of Insurance Agents for two years and has also served as a member of the legislative committee.

A. J. Meadors has purchased the Central Insurance Agency, Morrilton, Ark., from Victor Kordsmeier.

The Phillip H. Viles agency, Claremore, Okla., has purchased the Durham and Bowman agencies there.

J. Allen Murray, formerly with the Anderson Clayton Cotton Co., has joined with W. C. Slisson and J. D. Vanderwoude in a new agency in Houston under the name of Slisson-Murray-Vanderwoude.

New officers installed by the Nashville Association of Insurance Women are: President, Miss Marie Irvine; vice-president, Mrs. A. D. Cavendar; treasurer, Mrs. Thelma Ellis; secretaries, Mrs. Analea Miller, and Miss Mildred Hill.

COAST

Phoenix, Ct., Coast Men Advanced

Ernest F. Wagner, who has been resident secretary of the Pacific department, has been elected secretary of Phoenix of Hartford and Connecticut Fire.

William H. Lazzaretto and Chris H. Zacher, agency superintendents, have been appointed assistant managers of the Pacific department.

Charles C. Luce, returning from service in the naval air corps, has been appointed special agent to assist City Manager M. L. Burg in the supervision of the groups in the metropolitan area of Los Angeles.

Donald E. Walker, who joined the department in Los Angeles in 1940 has been promoted to executive special agent. He will continue his headquarters in Los Angeles.

McFall Warns Time to Revise Laws Running Out

DENVER—Federal control of insurance is "potentially destructive," John M. McFall, vice-president and general counsel of U. S. F. & G. declared in a talk on "The Supreme Court and State Supervision of Insurance" at a meeting of the Denver Association of Insurance Agents. The Colorado legislative committee, formed for the purpose of adjusting Colorado insurance laws to federal requirements, attended.

Since the S. E. U. A. decision the companies can avoid the impact of the federal anti-trust laws only by enactment of adjusted statutes to bring them into line. Public law 15, adopted in March, 1945, grants a three-year moratorium for revising state insurance regulatory laws, and state legislatures within the next 10 months will have the last opportunity to do so, Mr. McFall said. Immediate action is urgent if state insurance supervision is to be retained. Perhaps the very existence of organized insurance companies is at issue, Mr. McFall concluded.

Open New F.U.A.P. Courses

SAN FRANCISCO—Eight new educational courses have been announced by the Fire Underwriters Association of the Pacific in a summer session started June 11. They are: Automobile insurance, Norton H. Roberts, St. Paul F. & M.; building valuation estimating, R. B. Mathews, former manager of the service department of Home; correspondence, Dr. Kellogg

Hunt, San Francisco Junior College; inland marine, R. E. Cathcart, Commercial Union; ocean marine, Walter A. Hays, Marsh & McLennan; office principles and practices, John H. Martin, Standard Forms Bureau; public speaking, Prof. James Hughes, San Francisco Junior College; tariff rules and rating, Leland C. Shay, Hinchman, Rolph & Landis.

Gets Eureka-Security in Ore.

Eureka-Security F. & M. has appointed the Preferred Insurance General Agency of Portland as general agent for the state of Oregon.

Return to Cobb & Stebbins

Edward Culp and Elmer Stebbins, who have been in service, have rejoined Cobb & Stebbins, Denver general agents. Mr. Culp, a captain in the medical corps for four years, most of the time overseas, is now in the engineering department. Mr. Stebbins, a technical sergeant in the army three years, two years overseas as a radio technician, is now an underwriter in the casualty department.

Takes Franklin Life at Tacoma

The Harold L. Stamey Co., general writing agency of Tacoma, Wash., has been given a general agency of Franklin Life. Guy D. Hickok, recently discharged from the navy, will manage the life department.

General Agency Buys Building

Hinchman, Rolph & Landis, San Francisco general agency, has purchased the four-story building at 558 Sacramento street from Edward Brown & Sons, general agents, and will use the new building to house several departments, some of which were taken over in the Chapman & Co. consolidation.

New Regional Assistant Manager

C. Hall Warren has been appointed regional assistant manager of National Fire at Los Angeles, with supervision over southern California and Arizona business development and service. He has been state agent in Oklahoma.

General Agents In Alaska

Under the firm name of Currie & Sherwood, N. A. Currie and G. B. Sherwood will operate as general agents in Alaska, with headquarters in Seattle. Mr. Sherwood recently toured Alaska naming representatives there. Mr. Currie is state agent in Washington for Crown Life.

EAST

\$400,000 Loss in Truck Fire

NEW YORK—The insurance loss as a result of the destruction and damage to 250 trucks in the two-story garage of the National Auto Renting Co., 438-454 West 18th street here, will run more than \$400,000. One of the sections of the roof collapsed in the blaze. Many of the trucks were loaded with merchandise. They were generally of the package delivery type, running in value up to \$1,500.

Agricultural had the loss.

Replacement or Repair Cost Bill Passes Mass. Senate

BOSTON—The factory mutuals bill to permit insurance of replacement and repair cost of property, which has been redrafted several times in the legislature, in the form of an insurance committee redraft, has passed the senate and had its third reading in the house. It permits a fire company to insure build-

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ings and associated building service equipment or parts thereof, machinery, tools and other equipment connected with the trade, business or manufacturing process, governmental operations, or public and private institutions, except household furniture and furnishings in dwelling houses, for the difference between the actual value of the insured property at the time any loss or damage occurs and cost of repair, rebuilding or replacing . . . with new materials of like size, kind and quality.

The bill provides that this additional cost can be paid by the insurance company only if the insured actually re-builds, repairs or replaces the insured property and provides that the property must be rebuilt within the state. Originally it would have permitted a property owner to rebuild anywhere.

No Veteran Exemption

It also is provided that a stock company must have paid up capital of \$400,000 and a mutual must have a surplus of \$400,000 to write the coverage. An amendment provides that a mutual with less than \$400,000 surplus may write the coverage if it reinsures such risks 100% in a licensed company whose surplus, added to that of the ceding company, totals \$800,000.

The legislature voted down a proposal to exempt veterans from the 10% law limiting the percentage of controlled business agents and brokers may write, and referred to the next session a bill to raise the premium tax on domestic fire and casualty mutuals from 1 to 2%, as now paid by foreign companies.

Lang Advanced In Agency

Martin B. Lang has been named vice-president in charge of underwriting of the Underwriters Agency of Newark. He was for 24 years underwriter and examiner of American.

Baltimore Building Exodus

The Calvert building in Baltimore was taken over last week by the Veterans Administration, and a number of insurance offices have found other quarters. The Warfield-Roloson agency, which occupied a half floor in the building, has purchased its own building. Others affected by the move include the C. R. DeWitz agency of Mutual Benefit Health & Accident and several local agencies. They had to scramble to find space under present tight conditions.

NEWS BRIEFS

The Insurance Women of New Jersey will hold their annual meeting June 29 at the Maplewood Country Club, Newark. Kay Dougherty, C. W. Bollinger Co., Newark, is chairman.

Clementine Abbott, Maryland casualty, has been elected president of the Insurance Women of Maryland. Other officers elected at the annual meeting are Marion S. Wenger and Mildred Lipps, vice-presidents; Frances Calder and Emma Patterson, secretaries; Elsa A. Weiss, treasurer, and Margaret E. Hoffman and Mabel Shaw, board members.

Reiss Heads Louisville Mutual

Edward J. Reiss has been elected president of Washington Mutual Fire of Louisville to succeed the late W. E. Barth. Sr. Mr. Reiss has been treasurer, a director, and a member of the finance committee.

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CANADIAN

Agent Auto Finance Plan Shaping

TORONTO—Full operating details now are available regarding the automobile agent finance plan which has begun to roll effectively in Ontario and which is expected to become a Canada-wide project.

Union Acceptance Corporation which will handle the Canadian counterpart to the United States' bank and agent auto plan, proposes to do a good deal of advertising.

Interest shown by agents in Ontario alone, the present scope of the plan, is reported to be encouraging and it is believed when automobiles are available in substantial numbers new business to agents from this source will reach encouraging figures.

For a while, it is explained, Union Acceptance must confine its operations to Ontario. However, it is expected as business grows the company will be able to extend its facilities throughout Canada, and that is the goal.

Canadian Superintendents Meet at Halifax Sept. 15-20

The program for the annual meeting of the Association of Superintendents of Insurance of Canada at the Nova Scotia hotel at Halifax Sept. 15-20 calls for an executive meeting all day Sunday, Sept. 15.

The open meetings will begin Sept. 16, with the report of A. S. Barnstead, Nova Scotia, president of the association, and the reports on valuation of securities and annual statement blanks by George Lafrance of Quebec.

On Sept. 17 Mr. Lafrance will report on the licensing and regulation of agents and Mr. MacLachy on the defense of public policy reports. Herbert Hunter of Manitoba will give the automobile assigned risk report and R. B. Whitehead of Ontario the automobile legislation report.

On Sept. 18 Mr. Whitehead will report for the insurance law revision committee. Sept. 19 and 20 will be given over to executive meetings of the superintendents only.

Stoat Ontario Inspector

Yorkshire and its affiliate, London & Provincial Marine, have appointed John F. Stoat inspector in Ontario for the fire department. Formerly he was affiliated with the rating department of Canadian Underwriters Association.

Townsend Heads Adjusters

J. C. Townsend, American Automobile, has been elected president of the Ontario Insurance Adjusters Association. Vice-president is Hugh Murray of Angell & West; treasurer, C. R. Angell, Angell & West; secretary, W. H. Durand, Durand & Maltman.

Mason Succeeding Richards

S. N. Richards has retired as Calgary manager for the Royal-Liverpool groups after 43 years' service. He is succeeded by J. D. Mason, who has been assistant manager at Calgary.

Field Named Accountants Head

A. G. Wynne Field, General Accident, has been elected president of the Can-

Nelson to National in Mo.

Robert K. Nelson has been named special agent in Missouri at Kansas City by National Fire group. Discharged from service in 1944, Mr. Nelson formerly was with Great American in San Francisco, and before that was a fire examiner there. He replaces A. M. Conger, who has resigned to open his own agency.

adian Insurance Accountants Association, Toronto branch. Vice-president is C. A. Parrington, Wawanesa Mutual; secretary, John W. Dix, Canadian Fire.

Barlow Appointed Inspector

Robert H. Barlow has been appointed inspector for northern Alberta for Royal-Liverpool groups. He has been with the Winnipeg and Calgary offices since 1925. He will have office in Edmonton.

Tornadoes Cause Minn. Loss

ST. PAUL — Insurance companies took their first bad beating from storms in this area the first week in June when a tornado flattened or unroofed several buildings in northeastern Minnesota. Some hail accompanied the storm but this did more damage to buildings and autos than to crops. There has, however, been scattered damage to crops from hail in other parts of Minnesota. Lack of moisture in some important crop areas is retarding hail insurance business as farmers hesitated to secure coverage until crop prospects brighten.

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MOTOR

Texas Auto Hail Loss \$1 Million

Motor vehicle losses in the big San Antonio hail storm are now estimated at fully \$1 million. A number of insurers are collecting from their reinsurers under motor vehicle excess contracts.

Finance Official Protests Bank-Agent Plan Article

Jerome W. Slater, director of research American Finance Conference, in a letter to THE NATIONAL UNDERWRITER, says that an article on the bank-agent plan appearing in the May 30 issue "opens the way to a startling conjecture."

"In referring to the finance company dealer finance insurance package as a 'contemptibly small proportion' of the profits accruing to the dealer in a fi-

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nance transaction, you have apparently completely lost sight of the fact that there is a limited amount of compensation for the dealer for his participation and efforts in writing up the papers necessary to complete a legal transaction. The position of the financing agency is that the dealer should realize his profits from the sale of his product rather than from gouging an innocent purchaser into paying an additional profit from the installment transaction. "By innuendo, you have suggested that the bank-agent plan by means of offering a cash loan, can be of assistance in enabling the dealer to evade legal ceilings, thereby greatly increasing his

profits. Is such a practice not more contemptible than the practice of paying the dealer for his services rendered out of the financing agency's gross profits, rather than from the hard-earned savings of an individual purchaser?"

New Minneapolis Law Firm

Hugh L. Brenner, Minneapolis attorney, and Elroy D. Bouchard, recently claim superintendent at Binghamton, N. Y., for Indemnity of North America, have formed a law partnership in Minneapolis under the name Brenner & Bouchard.

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Miss. Agents Elect Flautt President

(CONTINUED FROM PAGE 4)

Garner M. Lester, Jackson, vice-president of the National Tax Equality Association, a resolution was adopted calling for tax equality among all business groups, organizations and individuals. The organization directed that a copy of the resolution be addressed to members of Congress, the National association, and to the press.

Theo Hardy, state national director, reported in detail the plans of the National association to expand its services to the agents, and especially emphasized the employment of actuarial services and establishing of an agency management division. By resolutions the Mississippi association endorsed the proposed expanded program of the National association and by motion instructed its state director to vote for the program when the question is submitted to the national organization at the annual national convention in September.

Resolutions expressing the appreciation of the association were extended to the retiring president, W. S. Smylie, and Secretary-Manager Clant M. Seay, who was retained for the ensuing year. The group also praised the work of the legislative chairman, Felton L. Grubbs, Philadelphia, and officers and directors, as well as the local convention committee chairmen: Ernest Desporte, Emmett Thomas, W. E. Beasley and Mrs. E. A. Peresich, Sr., Biloxi, and Fred S. Howes, Jr., Gulfport.

Dues Schedule Raised

In anticipation of higher dues to the National association and in order to more adequately finance its own operations, the association adopted a revised dues schedule, which provides for a 20% increase of the present scale on agents writing under \$100,000 in premiums. On agents writing over that amount, the percentage increase amounts to approximately 150%.

Another constitutional amendment adopted provided that the directors shall meet at least once in every quarter of each calendar year. It is the purpose of the association to hold these board meetings at various sections of the state so that the entire membership may have the opportunity of participating in the board's deliberations.

Highlighting the Friday morning session was an address by Hoyt T. Holland of Jackson, explaining the veterans' on-the-job training program. Mr. Holland urged all agents "to give themselves a chance" to develop and expand their agency by adding extra manpower to the present personnel.

Bradford Smith, Jr., spoke on "The American Agency System — Invisible Asset of Insurance."

Get-Together Dinner

At the annual get-together dinner Friday, John H. Culkin, Vicksburg attorney and chairman of the senate insurance committee, presided as master of ceremonies and introduced the distinguished guests. Sid Law, Memphis, safety engineer for the Illinois Central Railway System, delivered a humorous talk on a serious subject—safety. Concluding the banquet was the presentation of a gift from the association to the outgoing president.

Explaining an amendment made by the 1946 session of the legislature to the fire rating law, W. W. Sampson, manager of the state rating bureau, reviewed the provisions of H. B. 595, a measure requiring that non-stock carriers must either subscribe to the state bureau rates or file their rates for approval independently with the commission.

Interest centered on the question and answer panel, "The Local Agent; His Future Under Regulation." Those in attendance asked questions on the casualty rating law adopted at the 1946 session of the legislature. Members of

the panel answering the questions were: Commissioner White, Fred J. Lotters, and Charles B. Snow, Jackson attorneys; and Clant M. Seay, Jackson, manager of the Mississippi association.

Concluding the meeting was an executive session of the agents, who heard an address by Ralph B. Avery, Jackson attorney, on association by-laws and the anti-trust laws. Mr. Avery warned that his address was not to be construed a legal opinion, but rather an analysis and discussion of the questions involved. After considering various cases and decisions, and particularly Mississippi decisions, he said, "You must make sure, however, that your by-laws are used as a shield to defend and not as a sword to wantonly destroy. If your by-laws are used as a shield in the best interests of the public and your members, and if by chance some individual is financially affected who refused to accept the benefit of membership without obligation to observe the reasonable rules of the association, no court in fairness and in justice should be heard to say that you have thereby violated the anti-trust laws." In the interim, Mr. Avery is preparing for the benefit of the association a legal opinion on the subject.

Oscar H. West Speaks

Stressing the importance of each individual agent serving as the representative of the insurance business in his community, Oscar H. West, Washington representative of the National Association of Insurance Agents, declared that such grass roots action is given a ready ear by the elected representatives in Washington.

"With over 21,000 agencies in the National association representing 100,000 individuals, the potential influence that can be rightly, though quietly, exercised by the production forces, is unlimited," he said.

Citing recent developments in the Federal Crop Insurance Corporation and the Farm Security Administration as products of this type of strategy, Mr. West held that a continuing effort toward the attainment of confidence and respect of key men in government would be productive of further lasting gains.

Miss Estella Melody Retires

One of the best known insurance women in the insurance business in Chicago is Miss Estella Melody, who will retire from active business July 1 on a pension plan of New York Underwriters, having served that company for many years. She is the chief stenographer and chief clerk in the Illinois department and has a large acquaintance among present and former field men. She joined the company when R. M. Bennett was Illinois state agent. The late Convers Goddard was then stationed there as special risk man and R. L. Tanner was a special agent with Mr. Bennett. During Miss Melody's connection, aside from Mr. Bennett, Mr. Tanner, W. L. Maillot, Robe Byrd and M. H. Grannatt filled the position as head of the Illinois office. The office then was in the Y. M. C. A. building and there were a number of field men that had their headquarters there. When the Insurance Exchange was ready for occupancy New York Underwriters moved to that building, Mr. Tanner then being in charge, as Mr. Bennett was transferred to the head office.

When Miss Melody went with New York Underwriters, W. J. Sonnen was state agent of St. Paul F. & M. and had joint headquarters with Mr. Bennett and Miss Melody was office manager for both institutions. Just about that time, Mr. Bennett was looking for a special agent and Mr. Sonnen recommended Mr. Tanner, who was then with the farm department of Home, and he was employed.

Instead of its usual luncheon meeting the Cleveland Association of Accident & Health Underwriters had a dinner and theater party for the Little Theater production of "The Vagabond King."

the questions were: Fred J. Lotter, Snow, Jackson at M. Seay, Jackson, Mississippi association. Meeting was an ex- agents, who heard B. Avery, Jackson on by-laws and the Avery warned that to be construed as rather an analysis questions involved. rious cases and de- rly Mississippi de- u must make sure by-laws are used and not as a destroy. If your by- shield in the best lic and your mem- nce some individual d who refused to membership with- erve the reasonable on, no court in fair- should be heard to hereby violated the in the interim, Mr. for the benefit of gal opinion on the

importance of each in- ing as the repre- insurance business in r H. West, Wash- e of the National rance Agents, de- ass roots action is the elected repre- ington.

D agencies in the representing 100- potential influence though quietly, ex- ction forces, is un-

elopments in the ce Corporation and Administration as e of strategy, Mr. continuing effort t of confidence and government would her lasting gains.

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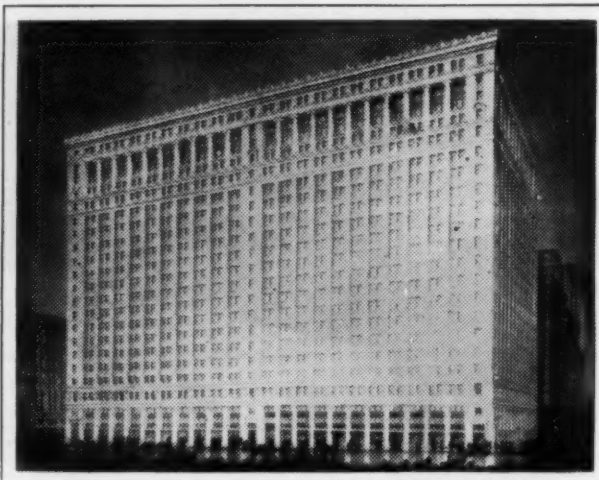
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